



NEWS SUMMARY

GENERAL

BUSINESS

Rebels kill crash victims

Equities down 4.6; sterling falls

• EQUITIES were quiet affected by election uncertainties. FT 30 Share Index closed at 4934, off 4.6.

• GILTS at the long end were at a low ebb with scattered losses ranging from 1-10%. Some were little altered. Government securities index was 78.18, down 0.16.

• STERLING closed at \$1.9465, down 20 points. Its trade-weighted index fell to 62.3 (62.5).

• GOLD rose \$24 to \$211.

• COCOA prices rose. November delivery was up £18 a tonne on Friday's close of £1,927.50

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THE CAMP DAVID SUMMIT

Carter tactics for summit remain a close secret

By JUREK MARTIN, U.S. EDITOR

MOST HEADS OF STATE, Jimmy Carter not excepted, like to think that nothing is impossible when reasonable men in charge of governments sit down together away from the public eye to thrash out differences. This is the underlying rationale of all summits and it is the cause of whatever optimism exists on the eve of the Camp David meeting between Presidents Carter and Sadat and Mr. Begin, the Israeli Prime Minister.

Mr. Carter observed last month that the Camp David session was "a high risk thing for me politically." Given his current standing in public opinion polls, he may have been exaggerating. But the fact remains that the test of his personal diplomacy will be to convince the Egyptian and Israeli leaders that the consequences of failure at Camp David are simply too horrible for either of them to contemplate.

Exactly how Mr. Carter proposes to square the circle of inter-dependency remains a closely guarded secret and may well remain so for most of the talks. In

spite of Israeli and, to a lesser extent, Egyptian objections, the Administration appears to have been successful so far in its determination to avoid the talks being turned into a public relations circus. Briefings for the press know that anything less

than a resumption of talks will be properly construed as

failure. The assumption here is still that the U.S. sees Mr. Begin as the larger obstacle. U.S. officials generally perceive Mr. Begin as a historic figure steeped in

the summit in the U.S. will be a critical factor in determining tradition and difficult to move. In

its success or otherwise. But both while President Sadat, partly out so far have refrained, by and of inclination and dramatic flair large, from seeking to influence and partly because of his U.S. opinion in advance, although increasingly dubious position in the Arab world, is considered to be more forward-looking and tomorrow to talk to U.S. more.

Mr. Begin is in New York today the Arab world, is considered

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HOME NEWS

UK official reserves fall to \$16.4bn

BY DAVID FREUD

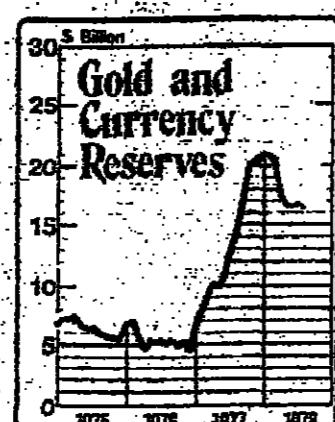
THE UK's official reserves fell last month by \$230m to \$16.4bn, mainly as a result of early repayment of overseas debt and capital transactions.

Official intervention in foreign exchange markets appears to have been limited to day-to-day smoothing operations, leaving the exchange rate to take the strain of fluctuations in supply and demand for sterling.

Yesterday's figures released yesterday show that net loan repayments amounted to \$176m, leaving an underlying fall in the reserves last month of \$151m. A significant proportion of this self rather than official transaction

Two official loans were repaid last year, in line with Government policy to smooth out the hump of borrowing due for repayment in the early 1980s.

A tranche of \$160m was repaid by the National Water Council following repayment of the first tranche in July. The Electricity



Council repaid the outstanding £16m of Danish loans. Long repayments totalling \$16m were made on the due date.

At the same time, there was new borrowing abroad by the confined intervention to smoothing operations in both directions.

Government is urged to stop ship sales abroad

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

A PLEA for the Government to security supporting loans.

Reardon Smith recently agreed with its bankers, without the aid of the Government shipping debt moratorium plan, a rescheduling of loans.

Mr. Chatterton writes that in view of the importance of shipping to invisible earnings the Government should ensure that record 13 per cent at the end of June. Again, changes in the prices to foreign owners does not confirm.

This year the British fleet is thought to have suffered a net reduction of about 80 ships.

Brief resurgence

The amount of world shipping laid up because of the chronic depression in the industry decreased slightly last month as some owners reactivated vessels

which will involve selling more assets, restriction on capital commitments, payment of only 10% dividends and adjustment to Council of British Shipping's say better rates has virtually ceased.

\$13m. The National Water Council borrowed \$20.5m and the Civil Aviation Authority \$12.5m.

Mr. Denis Healey, the Chancellor, said last month that \$4.5bn of foreign official debt would be repaid this year, of which \$3.5bn would be repaid ahead of time.

Sterling fluctuated sharply over the month, mainly reflecting changing market sentiment towards the dollar. Closing sterling/dollar rates varied from \$1.9810 to \$1.9270. At one time in the middle of the month the rate was briefly just over 82 for the first time since March 1976.

The chances against the dollar accounted for most of the variation in the trade-weighted index. This fluctuated from 82.2 in July and ended the month at 82.4 compared with 82.3 at the beginning.

The authorities appear to have new borrowing abroad by the confined intervention to smoothing operations in both directions.

ICI will spend £21m more on soda ash plants

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

IMPERIAL Chemical Industries is to invest a further \$4m at its soda ash plants in Cheshire.

The investment forms an important part of its plans to spend more than \$30m in the next three years to modernise and replace ageing plant at the three soda ash works at Lathom, Winslinton and Wallasey.

ICI is a near monopoly supplier of soda ash to UK industry and has a total UK market capacity of about 1.5m tonnes. Sharp demand this year, especially from the glass industry, has meant that plants have been working at only about 83 per cent of capacity.

However, ICI is engaged on a major programme of investment in this sector to revitalise its manufacturing base. The average age of its plants is between 25 and 30 years old, but some parts of them are more than 50 years old.

The company is spending \$25m a year for the next three to four years and expects to continue with a high level of investment in soda ash after 1981, provided that there is an adequate return.

In April this year ICI was given permission by the Price Commission to increase its soda ash prices by £1.50 per tonne, following a six-month investigation into its price application.

An attempt by the Commission to hold back soda ash prices temporarily was overruled by Mr. Roy Hattersley, Prices Secretary.

The company said that any temporary restriction that would have cast doubt on the justification for the substantial investment planned for this product.

Reliable

However, the capital expenditure programme is going ahead. Of the latest investment, £18m is to be spent at the Wallasey works, for new building, modernisation and to worsen as offshore operations move into deeper and deeper waters.

The construction work should lead to more reliable production of soda ash at lower cost, and more efficient use of energy, ICI said.

It was also expected to help maintain the company's competitiveness, particularly in export markets. Fifteen per cent of sales go overseas, where increasing competition is being met from soda ash produced in the U.S. from natural alkali deposits.

About £1m is being spent on the Lostock factory and a further £1m is expected to be sanctioned later this year for the diver.

One was to devise a robot, adaptable enough

Boeing jets could bring in millions for UK companies

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH COMPANIES could win orders worth several hundred million pounds over the next 10 to 15 years on the new Boeing family of jet airliners.

This is in spite of the fact that the nationalised British Aerospace Group does not at present intend to take up the original offer from Boeing of collaborative development on the 757 airliner programme.

Boeing made it clear that

Aeritalia of Italy, although British Aerospace is at

present more interested in rejoining Airbus Industrie to help build the A-300 version of the European Airbus, U.S. manufacturers felt other equipment, component and aviation electronics companies in the UK had much to offer Boeing for its new air

line programmes.

Boeing also made it clear that

it expected to be able to

announce further orders for the

767 and 757 airliners before

the end of this year.

Agreement

Worldwide sales talks had intensified in the last week or so, and airlines such as American and Delta were believed to be close to decisions.

This decision is certain to

intensify competition among

the big three engine suppliers,

Rolls-Royce, Pratt & Whitney

and General Electric.

It is up to interested companies

to push the development and

it is up to interested companies

to offer what they have to

This would be along similar lines

to the recent agreement with

Boeing.

Boeing also expects to reach

an agreement soon with Japan

on enthusiastically and aggressively at least a 15 per cent participation in the development and

it is up to interested companies

to develop new airliners with higher

passenger payloads and longer

ranges.

This is a powerful incentive to airlines faced with the likelihood of rapidly rising fuel costs.

Rolls-Royce is not committing the resources—estimated at several million pounds—needed to manufacture the hollow fan blade until there is specific airline demand, but it has undertaken to make blades for demonstration engines.

The new blade, which spins at

6,000 revolutions per minute,

and each of which dissipates over 1,000 hp, is bigger than its forced counterpart. It is

made from chemically milled

titanium sheet, brazed with a

titanium honeycomb filling.

Obstacle

The saving in weight from using

the blade in the RB 211-22B

engine would be 134 lb per

engine.

But the obstacle to introducing

a novel form of such a critical

component, especially in

view of the company's experi-

ence with carbon fibre blades,

is the risk of an unforeseen

problem with a relatively untried material.

Confidence in the forged titani-

um blade is now high,

particularly since an incident

last month when a 6 lb bird

was ingested by an RB 211

engine over California without

damage to the engine.

The carbon fibre blades had

failed to meet the Rolls-Royce

specification that the engine

should be able to ingest a 4 lb

bird without damage.

Olympic TV bill may be £500,000

BY ARTHUR SANDLES

BRITISH TELEVISION may have to pay £500,000 to the European Broadcasting Union for rights to cover the 1980 Olympic Games in Moscow. The EBU is reportedly paying £500,000 to the Russians for overall rights and basic services for an area covering most of Western Europe and North Africa.

The UK figure, which will be paid mainly by the BBC, is the same as the sum paid by the EBU for the 1976 Olympics in Montreal and might be seen as remarkable low.

NBC, one of the American big three networks, has now confirmed that it is paying £500,000 for the U.S. rights, although the company has insured against cancellation of the Games to the tune of £50m on the London market for premium of £m.

On top of the basic rights fee, companies have to pay for their own individual coverage, which might add £200,000 to the BBC bill.

In 1976 the BBC broadcast 130 hours of Olympic television, about half of it live coverage, one third to each channel.

Consumer spending rise to continue next year

FINANCIAL TIMES REPORTER

THE RISE in consumer spending will continue through 1979, according to the Henley Centre for Forecasting, the independent economic forecasting group.

In its quarterly publication, Planning Consumer Markets, the centre says that consumers are trading up and becoming more inclined to buy essentials.

Companies making children's goods are advised to take notice of the decline in the birth rate and adequate stocks in readiness for tax rebates in November and for trading up and for export.

During the course of the year to February 25, 1978, the company's assets will be valued professionally. The board has not thought it wise to do this previously since two of the main crops, tea and coffee, were selling at such inflated values that the plantations concerned could also have been valued unrealistically even with the best intentions.

Pending the results of this valuation and a careful study of the effect from the shareholders' point of view, directors will be considering any large scale investment in this crop at present.

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Restrictive practice agreements rise to almost 300

BY OUR CONSUMER AFFAIRS CORRESPONDENT

A FURTHER 13 restrictive practice agreements in the construction and road building materials industry were yesterday put on the Office of Fair Trading register of restrictive practices.

This brings the total number of restrictive practice agreements in the construction industry to almost 300. It is believed that over a 1,000 unlawful agreements may exist and will eventually be put on to the register.

The agreements registered yesterday were nine for the pricing and supply of dry and coated stone materials and four in the supply of "blacktop" road surfacing.

The nine stone agreements cover 31 new parties and broadly involve companies dealing on prices and specifications as well as allocating specific geographical areas of business.

The four new blacktop agreements bring the total to 123 relate to coated limestone and hot rolled asphalt.

Although the agreements were formally put on the restrictive practices register yesterday they have already been ended by the companies involved. Under the Restrictive Practices Act companies can register agreements and then continue with

Machine tool industry 'not a lame duck'

By Our Industrial Staff

THE MACHINE tool industry does not deserve its "lame duck" image says a report published yesterday which analyses the performance of 60 of the leading companies over three years.

If the State-owned trouble-bitten Alfred Herbert is excluded, profit margins were 3.8 per cent, 5.6 per cent and 6.9 per cent in the three years ending October 1977.

The industry's real weakness, states the report from ICC Business Ratios, "is its erratic year-to-year performance at the individual company level." Only five companies achieved a rate of return on capital consistently above 15 per cent.

During the 1975-77 period, the value of the 60 companies sales rose 42.9 per cent. The total is depressed by the inclusion of Alfred Herbert which accounts for about 16 per cent of it and which achieved an average sales growth rate of only 12 per cent.

The size of Herbert also affects the return on capital statistics. With Herbert included the 60 companies made an average return of 2.1 per cent, 1.3 per cent and 10.5 per cent over the three years.

When Herbert is excluded, the figures are 7.2 per cent, 11.7 per cent and 13.7 per cent respectively.

The report also illustrates the reduction in capacity in the industry. This is partly shown by the drop in the number of employees by 2,000 to 12,000 over the three years among the 60 companies. For the industry as a whole the reduction was from a peak of 31,000 in 1971 to just over 30,000 today.

The total fixed assets of the companies reviewed showed a 17.5 per cent increase over the period, a rate substantially below the rate of inflation.

Machine Tool Manufacturers, 244, 100, Business Ratios, 81 City Road, London EC1Y 1BD.

Courtaulds to hold £50,000 tennis contest

COVERTWELD Knitwear announced yesterday plans for a £50,000 international men's tennis tournament to be held in Nottingham between June 11 and 17 next year. It is to be called the Courtaulds Knitwear International and played at the Nottinghamshire Lawn Tennis Association's headquarters.

The three-star Grand Prix event will count as part of the Colgate Grand Prix tournament and is expected to attract the world's leading stars, including Bjorn Borg and Jimmy Connors. Courtaulds, which employs 13,000 people in the Midlands, plans to use its companies to design a collection of tennis sportswear for the tournament.

Candidate for Cardiff West

DR ALUN OWEN has been chosen by the Welsh nationalist party, Plaid Cymru, to contest Cardiff West against the Speaker of the House of Commons, Mr. George Thomas, at the next general election.

Dr. Owen is head of the science department at Rhyd Elen School, Pontypridd, Mid Glamorgan. His candidature represents a break in parliamentary tradition as the Speaker is not usually opposed.

Science awards

FIVE ROYAL Society Leverhulme Studentships have been awarded for 1978. The awards are to enable young science graduates of high quality from British universities to gain practical experience of scientific problems in countries outside Europe and North America. The studentships are financed by a grant from the Leverhulme Trust Fund.

Britain 'needs more research scientists'

BY DAVID FISHLOCK, SCIENCE EDITOR

STRONG PLEAS for an increase in scientific inquiry and for more researchers were made by Professor Dorothy Hodgkin in her presidential address to the Advancement of Science in Bath last night.

Prof. Hodgkin, speaking in Bath Abbey at the start of the annual meeting, said Britain compared poorly with its main trading rivals for numbers of research scientists.

The existence of restrictive practices on price and supply in the construction industry first came to light last year after secret evidence had been given to the Office of Fair Trading by an executive in the road-surfacing industry.

This followed the exposure of unregistered price-fixing agreements in the concrete industry.

There are about 3,800 other restrictive trade agreements registered with the Office of Fair Trading.

An unrelated agreement also registered yesterday was for Inrad Services for the pricing, supply, and repairs of motor vehicle radiators. Inrad Services has six members-companies and 70 associated members. Under the agreement they must supply goods and services under the terms negotiated by Inrad.

As the agreement has been registered in accordance with the Act, it can be operated until the Office of Fair Trading seeks a court ruling on whether it operates against the public interest and restricts competition.

She quoted one of the founders of the British Association for the Advancement of Science as foreseeing the need for a new, more broadly-based society to give a stronger impulse and a more systematic direction to scientific inquiry.

In her address on Discoveries and their uses, she reviewed a



Professor Dorothy Hodgkin

number of seminal scientific discoveries—penicillin, the structure of insulin, the electron microscope, X-ray crystallography, and the Babbage calculator engine.

"New beginnings have come from anywhere and everywhere, often unexpectedly," she said. "Often very important discoveries have been made by the young as almost their first piece of research."

But some critical advances were made by the old—and she cited as an example J. J. Abel, who first crystallised insulin at the age of 67.

"With the growth of scientific knowledge we seem to have come a very long way. For a moment we stand amazed and delighted until we start to think of how much more we should like to know."

Imperial Tobacco survives price war

By Our Consumer Affairs Correspondent

IMPERIAL TOBACCO, which owns the John Player and W. D. & H. O. Wills brands, believes it has weathered the worst of the price cutting war launched by BAT Industries in general, basic research paid off twice as handsomely as all other kinds of research and development combined.

Prof. Hodgkin quoted a recent statistical evaluation of the scientific papers which had contributed to a series of advances in clinical medicine. Of the 529 papers, 62 per cent were reporting "basic" research.

One conclusion was that a generous proportion of a nation's expenditure on biomedical research should be devoted to long-term research on how living organisms functioned.

In general, basic research paid off twice as handsomely as all other kinds of research and development combined.

Prof. Hodgkin continued: "If we think of the lines of research I have outlined in terms of particular needs for the future we come to much the same conclusion. Take the case of insulin in treating diabetes. It is effective, it keeps patients alive. There are ways in which its day-to-day operation could be improved."

"But its use is at best very painful, imperfect medicine. If we knew in all fundamental detail how insulin acts to control our metabolism we might be able to devise far better methods for treating the different disorders associated with diabetes, blindness for example, which insulin injections only very imperfectly control."

"With the growth of scientific knowledge we seem to have come a very long way. For a moment we stand amazed and delighted until we start to think of how much more we should like to know."

Liverpool port profits fall to £1.78m

BY RYHS DAVID, NORTHERN CORRESPONDENT

THE CONTINUED world recession has caused a sharp fall in profits at the port of Liverpool in the first six months of this year to £1.78m before tax, compared with £3.26m in the same period last year.

The throughput is currently estimated at about 130,000 boxes a year, compared with a break-even target of 160,000.

The port is hoping a further boost to its container trade will come through the building of a rail link to the nearest container railhead at Garston in the south of Liverpool.

Request

A request for government action towards this project is being examined by the Department of Transport, and it is hoped a decision will be made within the next two months.

The first half was also helped by higher than expected oil shipments through Shell's terminal at Tranmere, as a result of difficulties the oil company is still experiencing at its Ansdell terminal. This is not expected to continue at the same levels in the second half, however.

Total operating revenue at the port in the first half came £32.1m, against £30.7m in the first half of 1977 and £22.7m last year as a whole.

Rewards in offing for oil innovators

BY OUR SHIPPING CORRESPONDENT

AT LEAST half the undiscovered oil in the world is underwater and offering big rewards to manufacturers and designers in the offshore field, a senior British Shipbuilders executive said yesterday.

Mr. Jolyon Slaggert, who is responsible for British Shipbuilders' marketing in the offshore world, said that the rewards would go to the innovators and those who took the opportunities now appearing.

Sir Con, who as well as leading negotiations for EEC entry from 1989 to 1975, was also director of the Britain in Europe campaign from 1974 to 1975, said that the EEC was too important to all its members for any of them to leave or destroy.

He said: "Worsening economic crises might threaten the EEC, but only national pressure for trade protection took precedence over community action."

Speaking at the 31st annual congress of the European Society for Opinion and Marketing Research, Sir Con said three major factors would condition the development of the community: the directly-elected European Parliament beginning next June; extending the EEC to Greece, Portugal and Spain within the next five years; and the development of Economic and Monetary Union.

The next decade would bring more non-economic policies in international affairs to the Community—European defence being one of the more important facets, according to Sir Con.

"The Community moves slowly," he said. "And maybe it will move more slowly still when there are 12 instead of Nine. But it is right that it should move slowly... and to do in the 1980s, it will continue to do in the 1990s."

Mr. Slaggert, who was opening the third international offshore craft conference in London said that as offshore exploration moved into deeper and more difficult waters, new types of hardware would be needed.

Fixed platforms, for example, would be replaced by floating structures, supply craft designs would change dramatically and if a suitable passenger carrying vessel would be needed, it would find a ready market.

British Shipbuilders, mean-

Institute joins working party

THE INSTITUTE of Chartered Secretaries and Administrators has accepted an invitation from the Department of Trade to join the Advisory Working Party Europe, which will consider main issues likely to arise during negotiations on the EEC's Seventh Directive.

Mr. Jolyon Slaggert, who is responsible for British Shipbuilders' marketing in the offshore world, said that the rewards would go to the innovators and those who took the opportunities now appearing.

He said: "Worsening economic crises might threaten the EEC, but only national pressure for trade protection took precedence over community action."

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British Shipbuilders, mean-

Ebbw Vale factories offer 250 new jobs

BY OUR WELSH CORRESPONDENT

EFFORTS TO attract new jobs and exports all over the Ebbw Vale, the south Wales valleys' town hit by British Steel's closure programme, are paying off. In the past few days three manufacturing companies have decided to take up Government advance factories in the area, which should eventually create a total of 250 new jobs.

LCR Components of Tredegar, which supplies the electronics industry, has bought from the Welsh Development Agency a 40,000 sq ft factory at Williams town, where the company expects to employ about 200 people as part of the expansion of its plastics division.

A 10,000 sq ft advance factory at Brynmawr has been let to Delmar Tuboform, a newly-created subsidiary of Delmar Rubber and Plastics of Crawley, which will make flexible expanded polyethylene extrusions for insulation. Employment at the factory is due to build up to 35 people after three years.

Hugh Phillips Engineering of Abergavenny, which manufactures parts for steam engines, has approved by the board.

f8m. scheme at colliery

THE National Coal Board yesterday that approval has been given for the second stage of development project, costing total of £8m, to mine 50 tonnes of coal at Thoresby colliery. Edinstown. Not which has reserves to last 50 years.

The first phase of the 31st programme was completed last year and a £3.7m scheme to drive a third tunnel into Parkgate seam has been approved by the board.

Opencast mining protest

PROTEST GROUPS in Cumbria and Cumbria. They argue they want an all-party committee of existing coal output areas to examine opencast mining excess demand.

The groups want MPs to propose compensation for reduction in quality of life and value of property, and the overstatement of the findings of public inquiries by the Energy Secretary.

South East which act as London satellites.

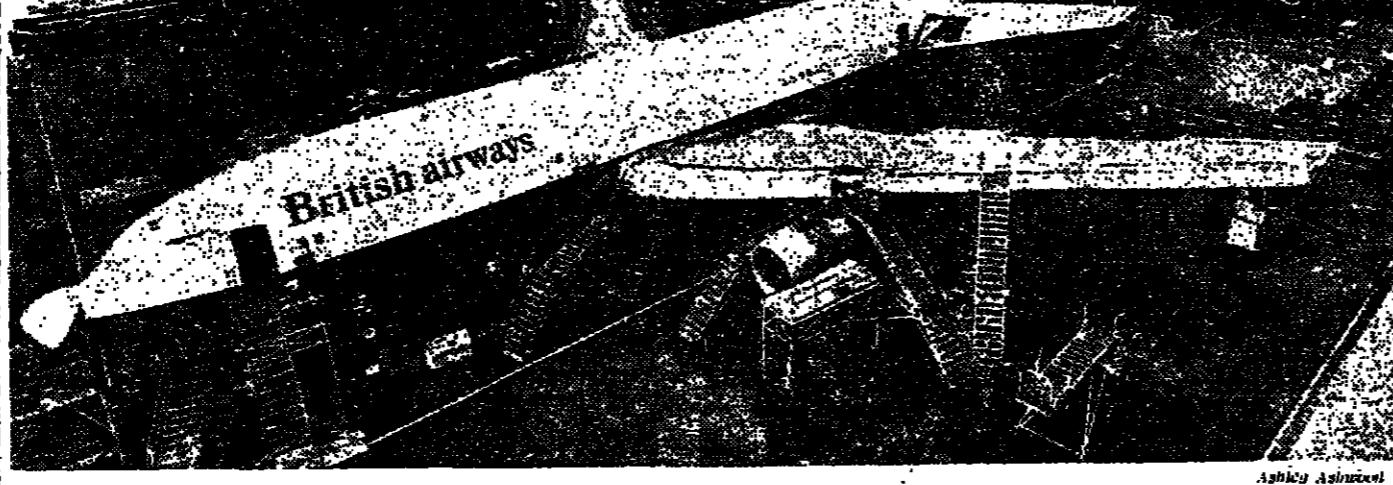
In areas away from these fairly strong letting markets, cost-conscious tenants are now rejecting air-conditioned offices.

SLV estimates that air conditioning can add between 50 and 75 per cent to the rental cost of a provincial office block and reports that in cities where rental levels are low, this additional cost becomes unacceptable.

Some occupiers also believe air conditioning is inefficient.

Concorde passes landing test

THE Civil Aviation Authority has cleared British Airways' Concorde to land on auto-matic equipment in poor visibility down to 250 metres. The equipment guiding the aircraft to the runway were completed at the end of last month.



Minister backs co-operative

FINANCIAL TIMES REPORTER

THE CONCEPT of a fishing co-operative being set up at Milford Haven to save the trawling industry at the last commercial fishing port in Wales received the support of Under-Secretary, Mr. Alec Jones, Welsh Office yesterday.

Mr. Jones' Welsh Office yesterday said that the party's concept is that the port's dwindling fleet can be kept at sea by giving skippers and crews a chance to buy the boats on which they make a living.

Control of the fleet would be transferred from the trawler owners to a fisherman's co-operative, with the Government providing financial backing.

At the end of 90-minute talks with the Pembrokeshire Labour Party's industrial subcommittee, which has put forward the scheme, Mr. Jones expressed enthusiasm for a plan he described

Today, the White Fish

as the only one that met the Milford industry's needs.

The constituency Labour Party's concept is that the port's dwindling fleet can be kept at sea by giving skippers and crews a chance to buy the boats on which they make a living.

This report, together with the Labour Party's proposals, will be considered together by the Welsh Office to decide whether financial aid can be provided for the co-operative scheme.

Authority will start compiling a report for the Welsh Office on the viability of the Milford industry.

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10/10/78

Fresh



in Fremantle

Freshness in Australia—and many other countries—owes a lot to Albright & Wilson products.

Fresh, shining hair, under any conditions, can owe its lustre to shampoos made in 5 countries by Albright & Wilson. Personal freshness, too, may depend on their products, like chlorophyll and materials for deodorants and toothpastes. Clothes, too, are made fresh, all over the world, with Albright & Wilson detergent materials.

Albright & Wilson have manufacturing plants in 15 countries. In 1977 alone, overseas production resources were increased in Australia, Canada, France, Malaysia, Singapore, Sweden and the USA.

Worldwide, sales last year were £338m, of which £194m were earned overseas, including £92m exports from the UK.

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ONDENT

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10 Basnett urges unions to back Labour in a future election

BY PAULINE CLARK, LABOUR STAFF

THE ANNUAL Congress of the TUC opened with a rallying call from its president for solid trade union allegiance to the Labour Government in any coming election.

While making clear his concern that Labour should be the caretaker of future North Sea oil revenue, Mr David Basnett, the president and also general secretary of the General and Municipal Workers' Union, hoped that the party's leaders would prove to be guardians of his own social and economic strategy proposals.

Mr Basnett, who this year led a public sector campaign for a Government commitment to an expansion of public services, was unfeeling about the Tory Party, for what he described as its plans to use oil revenues to extend "private privileges."

Discrimination

"Trade unionists want policies which will further the fight against discrimination, inequality and poverty—policies which cannot come from a party pledged to slash public expenditure, support public schools and expand private medicine."

"They also need to see that North Sea oil is used to regenerate British industry, a need that cannot be entrusted to a party where responsibility for the historical degeneration of British industry is now allied to their desire to use the oil for tax relief, mainly for the better-off."

On the urgent problems posed by unemployment, Mr. Basnett underlined the need for the Government and trade unions to get to grips with the advance of technology.

He warned that new technology would mean a loss of jobs at least as massive, he believed, as the first technological revolution meant.

Co-operatives chief calls for more unity

BY NICK GARNETT

TRADE UNIONS were heavily criticised by Mr. Harry Bailey, an executive member of the Co-operative Union, for shunning efforts by co-operatives to strengthen the Labour movement.

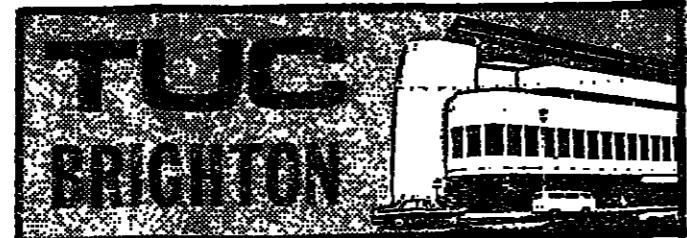
There was great merit in bringing the three sections of the movement—trade unions, co-operatives and the Labour Party—into a fully unified body to decide policy issues for working men and women.

That happened during the war with the formation of the National Council of Labour. But the idea had not been fostered, and trade unions had, in general, shown the least interest in promoting it.

Workers Co-operatives, said Mr. Bailey, the full-time director of the Co-operative Wholesale Society, could be the answer to the many unacceptable facets of the capitalist system. The Co-operative movement was the nearest thing to socialism.

Although the Labour movement showed signs of not being as united as it should be, it was one and indivisible.

Another fraternal delegate, Mr. Dennis McDermott, represented



But there should be concentration on the opportunities presented by the change, as much as on the problems.

Many of the jobs which trade union members were doing at present were unpleasant and unfulfilling.

A technology which liberated

people from this need a positive approach and it offered an opportunity for increased leisure, which should be recognised straight away.

"The test of our desire to find a solution to the unemployment problem must be the degree to which we give priority to the shorter working week and the shorter working week in our negotiations."

Mr. Basnett said that there was a need for society to consider fundamental changes, which would take account of the fact that there would not be the demand for as many working hours as there had been in the past.

We need to ensure re-organisation of society so that we give precedents to positive leisure rather than to destructive idleness."

He argued that education should be as much concerned with promoting collective social needs and cultural values as with a preparation for the disciplines of work.

In sharing work we also needed to structure our society and our time so that leisure and education meant.

Mr. David Basnett, president of the TUC delivers the opening address.



Mr. Jack Jones, former general secretary of the TGWU (right) with his successor, Mr. Moss Evans (left) and Mr. Ron Todd, the new national organiser of the union at the conference.

Conference photographs by Terry Kirk

OTHER LABOUR NEWS

Civil servants union merger is outlined in proposals

BY PHILIP BASSETT, LABOUR STAFF

DETAILED PROPOSALS which are being formulated for a final merger, are expected to lead to a merger if both unions agree.

Under the interim merger, a higher grades committee will be formed to represent the combination's 20,000 members in grades of Principal and above, consisting of six representatives from each union.

A merger between the Institution of Professional Civil Servants and the First Division Association would make the Institution, the second-largest civil service trade union, with some 113,000 members.

It would also create a new group, strengthening the representation of more than 20,000 senior grade civil servants.

The two unions, which have been moving towards an alliance since January last year, will link loosely together if, as is expected, the conferences of both unions approve the draft proposals now being circulated.

The interim merger, which will last for five years, is expected to be reviewed after three years in operation, when proposals will



"I haven't been so happy for years."

For many elderly people, going into a "Home" seems like the end of the world.

Nevertheless, our headline is a typical quotation from one of our residents' letters.

The Distressed Gentlefolk's Aid Association runs a particular type of Home for a particular type of person. Not just what is implied by the "Gentlefolk" in our title but anyone, man or woman, who will "fit in" with our other residents.

We have 13 Homes in all. Some Residential, some full Nursing Homes. Anyone who needs a Home but who lacks the necessary financial resources can apply to the DGA for help.

Places are short, because money is short. Your donation is urgently required. And please, do remember the DGA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

VICARAGE GATE HOUSE, VICARAGE GATE, KENSINGTON, LONDON W8 4AO

"Help them grow old with dignity"

Lucas electricians black production equipment

WIDESPREAD disruption among 18 Lucas group factories in the Midlands supplying the automotive and aerospace industries is threatened by a refusal by electricians to merge high production equipment.

The electricians have turned down an extra £2-a-week offer.

About 120 electricians who have spent an extra two years at technical college to achieve the higher qualifications during a four-year apprenticeship in addition to ordinary apprenticeship yesterday reverted to "normal" work as electro-mechanics.

Electronic plant needing maintenance and repair will go unserviced. Effects and individual factories will largely depend on the degree of electric equipment installed.

While other companies than Lucas have been investing in similar solid state equipment, the dispute is likely to set a precedent that could have far-reaching reverberations in the context of the Government's battle for a continuance of a "tight wages policy

The dispute has progressed through all stages of procedure, including a meeting of national officers of the electricians' and plumbers' union and the engineering employers' federation.

Mr. Bob Wright, SEPTU divisional secretary said that Lucas' offer of £2 a week recognised a 12-month apprenticeship training course by other skilled workers.

"We are looking for about £10 for our four years' training and the strict criteria our members have to meet," he said.

A toolmakers dispute at Lucas' Girling's Cwmbran factory, South Wales came to a head over the weekend when the company decided to lock-out the toolmakers from their workshop.

Prior to the weekend, 16 toolmakers at the factory had been working to rule in pursuit of the demands for a separate wage negotiating rights.

As in the Leyland carburetor dispute, their claim has been refused both by their engineering union and the management.

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technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOTTER

COMPONENTS

Advanced connector move by Plessey

ED WITH a number of important moves in the world sector market, Plessey's advancement of its Marconi connectors could well be signal for a major increase in sales from the group's North American factory.

How big the move will be is difficult to predict but interest in many quarters in Europe elsewhere, sparked by news that Plessey was about to make this move, shows that these precision components are major millions of pounds worth of military, aerospace and professional applications will be the Northampton for export on.

It is in the context of a U.K. market worth £60m that the Marconi connectors represent a move into a European total in technology and the £30m mark.

The Northampton company is in the position of a U.K. leader and is neck and neck with a French rival for the lead in Europe, where its expertise is well known. It is developing reconnections for the System 100 telephone exchange.

Marconi connectors represent a move to 10 per cent of total sales, 25 conforms to the latest C-88999 specification, now in the UK and Europe. The main specification of its 10 per cent of total sales, 25 conforms to the latest C-88999 specification, now in the UK and Europe. The main specification of its

It embodies a series of twist, high density, mini-circular connectors with rear release removable contacts. Nine shell sizes are available, with a maximum of 128 contacts and there

is a new high-quality tube

OBTAINT the accuracy and hydraulic components can be cut for up to 20 per cent while savings in production can amount to 60 per cent.

This has encouraged the Thomas T. Gray to form a new company, T. T. Tubular. This will market and distribute in the UK tube manufactured in Italy by TUBITEK, part of the Fiat organisation.

A shod eliminates these steps: the cost of the savings is saved. hydraulic cylinder was invented in the U.S. It now has the 20 per cent based on this method.

in the UK, at present, these are reversed, but the interest in this country is ready to be shown in increased interest in obtaining DOM (drawn over mandrel) tube.

It is not made in the UK, some is being imported from Sweden and the U.S. It is claimed that by using a tube, purchase price for Wiltshire (Swindon) 692202.

INSTRUMENTS

Events costly failure

WINTIME in offshore drilling is very expensive. Early prediction of incipient component failure can save thousands of pounds by allowing equipment

replacement at a convenient time rather than under emergency conditions. One area where component failure can be particularly frustrating is wire-replacement on riser systems.

Strainstall, of Denmark Road, Cowes, Isle of Wight, has come up with a "Tow Cycle Counter," allowing much better prediction of impending failure.

Since the drilling rig movement between it and the marine riser fixed to the seabed cannot be avoided, this movement is accommodated by a heave compensator, which makes use of two ropes fitted to the top of the riser. Each rope runs round a system of pulleys and sheaves, with the inboard end connected to a hydraulic or pneumatic cylinder which dumps down

movements and eases strains on several ropes. The signal output allows checks to be made on the drilling equipment.

The ropes must be kept in tension and, every time the drilling vessel moves up and down, movement in the system induces fatigue into the ropes, leading eventually to failure.

The new counter can assist at this point by continually monitoring the load on the ropes so that failure time can be predicted in advance and changeover made safely.

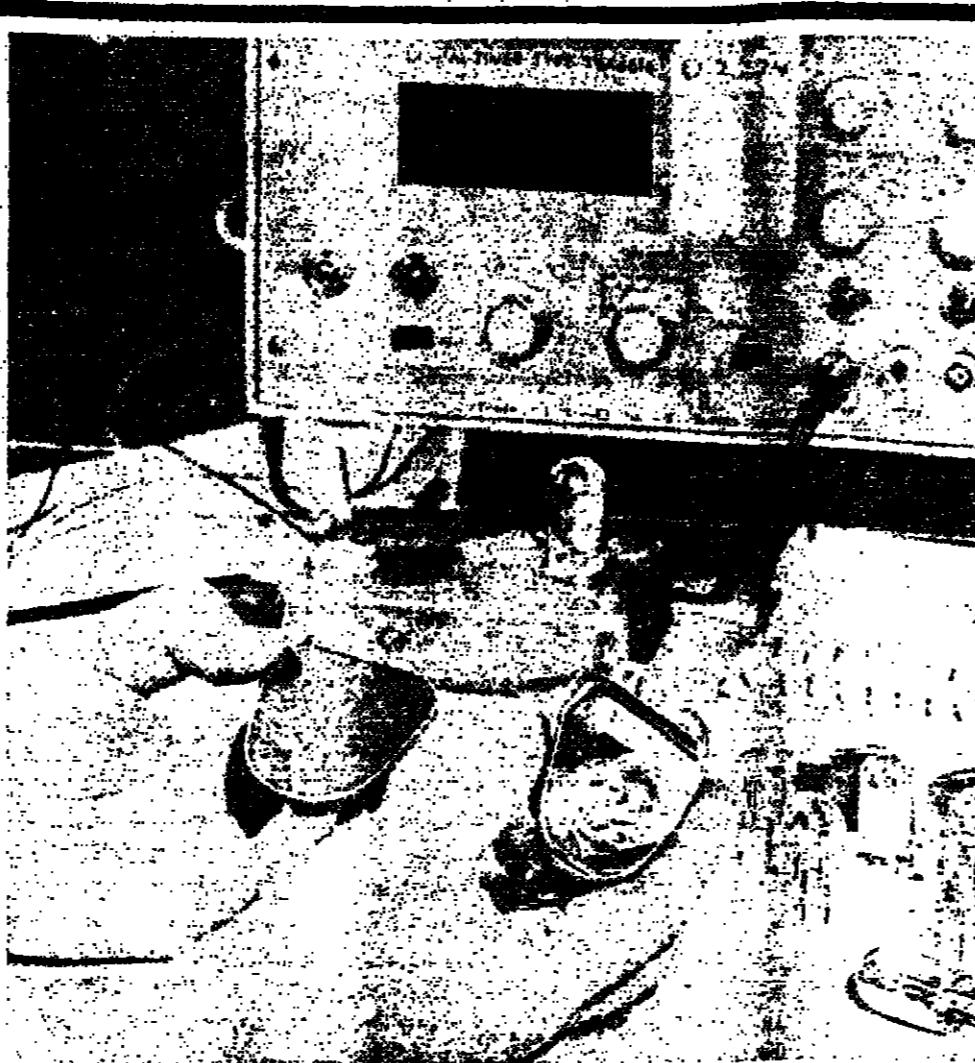
The equipment has a display of individual rope tension, total riser load, and cumulative tonnage.

WHERE HAND strapping is found to be too slow, yet output does not justify a more expensive, fully automated flow-line, a semi-automatic polypropylene strapping machine is said to be the answer. This machine from Lawton, 10 Belmont Road, Liverpool, 1493 340 (051 227 1212).

Design of its unique flat-bed

design, the ESM-i can offer flexibility to cope with random sizes and shapes of packs, boxes, cartons, bags and bundles. It is also suited to strapping collated products such as hose, wire, rope and cable, as well as hard-to-handle items such as garden implements, books, office files, newspapers, mouldings and odd-shaped packages.

The machine is electric and can be used wherever it can be plugged into standard 230/240 volt single phase voltage.



ELECTRONICS

Packing many more devices on a chip

MANY OF the companies involved in the manufacture of state-of-the-art electronic devices are spending a very large amount of money on methods of packing "structures" more closely together on the surfaces of silicon covered with light-silicon chips on which the current electronics revolution is based. This closer packing goes hand-in-hand with reduction of connector width and length, the whole purpose being to speed the projection of a single, enlarged pattern through reduction lenses on to the surface of the slice. This slice of silicon is then moved by what must be among the most precise machinery ever developed, and all under automatic control, to repeat the circuit pattern.

Unevennesses in the slice surface are detected, focusing is automatic and the developers claim that the fact the mask has only one pattern and the extreme delicacy of control provides means that line definition are much better than anything hitherto.

Meanwhile, recognising the fact that there will always be a need for a barrier in any system relying on light, the Philips Research Laboratory at Salford in the UK has been

concentrating on the use of electron beam techniques for the production of devices.

Salford's scientists are looking at three areas: mask fabrication using electron beams; development of an electron image projector, which put patterns on silicon slices; and a possible alternative in which an electron beam can be moved around to "write" a pattern on a wafer, without a mask.

One advantage in mask fabri-

cation using electron beams is that there are no intermediate stages—there are many in the current processes—so fabrication time is short, a high yield is achieved and the definition is good.

Using such masks, to which an appropriate coating is applied, the projector causes the coating to emit electrons in a pattern corresponding to the mask layout. An electron optical system projects the pattern on to the silicon wafer and, again, there is no mask wear.

If the desired pattern, presumably stored on a computer disc, can be inscribed directly on to a slice and at high speed under computer control, both these stages would be superseeded.

It is to get line definitions of 1 to 1 micron with alignments at least as good as with the silicon repeater.

Philips says, however, that there is still a long way to go before the foregoing is turned into a mass-production technique.

The attraction of the electron beam approach is, however, considerable because there are virtually no diffraction phenomena, thus definition is much better, and the beam width being a small component concentration on the chip can be much higher.

Further information on the silicon repeater from Philips Research Laboratories, Eindhoven, Holland.

Warns when bearings are starting to go

ENGINE health monitoring, particularly in aircraft, is of prime importance in preventive maintenance. A project undertaken jointly between Muirhead and the Technical Development Company of the U.S. will go a long way towards providing an effective monitor for bearings in any type of aero-engine, pure jet, prop-jet or jet aircraft.

The company has brought out shaft encoders of advanced specification using an optoelectric Vactric and the Technical Development Company of the U.S. will go a long way towards providing an effective monitor for bearings in any type of aero-engine, pure jet, prop-jet or jet aircraft.

The device contains two magnetic units, set close together in the lubricant system. Particulate material from bearings which are starting to break up will be entrained in the lubricant and bridge the gap, providing a signal to the pilot.

Provided the particle is below a certain size, the equipment can channel a pulse of power from a capacitor to the point where the particle is lodged and disperse it so that it no longer provides a potential threat to shaft-rolling movements.

More on these developments from Muirhead, Beckenham, Kent. 01-650 4888.

movements and eases strains on several ropes. The signal output allows checks to be made on the drilling equipment.

The ropes must be kept in tension and, every time the drilling vessel moves up and down, movement in the system induces fatigue into the ropes, leading eventually to failure.

The new counter can assist at this point by continually monitoring the load on the ropes so that failure time can be predicted in advance and changeover made safely.

The equipment has a display of individual rope tension, total riser load, and cumulative tonnage.

WHERE HAND strapping is found to be too slow, yet output does not justify a more expensive, fully automated flow-line, a semi-automatic polypropylene strapping machine is said to be the answer. This machine from Lawton, 10 Belmont Road, Liverpool, 1493 340 (051 227 1212).

Design of its unique flat-bed

design, the ESM-i can offer flexibility to cope with random sizes and shapes of packs, boxes, cartons, bags and bundles. It is also suited to strapping collated products such as hose, wire, rope and cable, as well as hard-to-handle items such as garden implements, books, office files, newspapers, mouldings and odd-shaped packages.

The machine is electric and can be used wherever it can be plugged into standard 230/240 volt single phase voltage.

CONSTRUCTION

No need for grease

ONE OF two new products launched by Bostwick Doors, is a folding shutter door specially designed for sandy conditions in the Middle East. All the working parts are coated with a plastics material to avoid the necessity for greasing, which in turn would reduce the door's efficiency due to the adherence of sand to the grease. This type is available with electrical or manual operation.

The other product is a steel security door and frame made to withstand attack from burglars.

This has been inspected and approved for two to four hours fire protection by the Fire Research Station in Hertfordshire.

More from the company at Merser Industrial Estate, Heaton Mersey, Stockport, Cheshire SK4 3ED (061 442 7275).

HAND TOOLS

Riveters to suit most operations

STANLEY HAS built and is marketing three riveting tools to suit everyone from the DIY enthusiast to the industrial user.

They have a pressure die-cast aluminium body, integral steel crew and pivot bearing surfaces, heat treated steel parts, interchangeable nose pieces to fit most sizes of rivets and hardened alloy steel jaws.

The Professional Unit provides a slim nose for access to awkward situations. Its High Technology companion for commercial and industrial markets has a double lever for a smooth, progressive power stroke enabling continuous use.

Laz Tongs, describes a heavy duty tool capable of repeated, fatigue-free setting of rivets up to 10mm (1/2in) diameter in all metal groups. The design includes a double pivot handle drive, normally only found on tools costing much more.

Stanley Tools, Woodside, Sheffield S3 8PD. 0742 78873.



METALWORKING

Machine for cutting off at fast rate

SAID TO be a major step forward in the field of both mechanical and abrasive cutting off in terms of floor to floor speed, accuracy and safety, is a range of high production rate, purpose-built abrasive cutting off machines from Universal Grinding Wheel Company, Duxbury Road, Stafford ST16 1EA.

Manufactured by Snow and Company of Sheffield, the range consists of the C1, a semi-automatic abrasive cutting off machine for foundry and general engineering work; C2, a fully automatic machine provided with integral racking and bar feed mechanism and suitable for a wide variety of general engineering applications where high feed rate is of importance; and the C4, a heavy duty, high power, hot or cold cutting off machine primarily for in line rolling mill applications.

A design theme common to all machines is a superstructure which forms the fully protective guard enclosing the cutting area and the wheelhead, access to the cutting area and wheel being through a safety interlocked impact-resistant door. This is set on the heavily constructed fabricated base which incorporates the coolant tank.

They have been designed and tested under environmentally controlled conditions for specific use in the high ambient temperatures of overseas countries and are rated at 50 degrees C for continuous operation as defined by BS449 and DIN 6270A, and have the normal ten per cent overload capacity for one hour in every twelve.

Power is transmitted by a multi-belt to a precision-ground spindle carrying the cutting wheel. A self-contained hydraulic pack supplies the power for the feed motions, the variable cutting rate movement of the head, the clamps and other optional functions.

The machines differ in their methods of cutting and in the abrasive wheels which they use. The C1 and C2 have a head that is lowered on twin vertical pillars; the C3 utilises a reciprocating pivoted head

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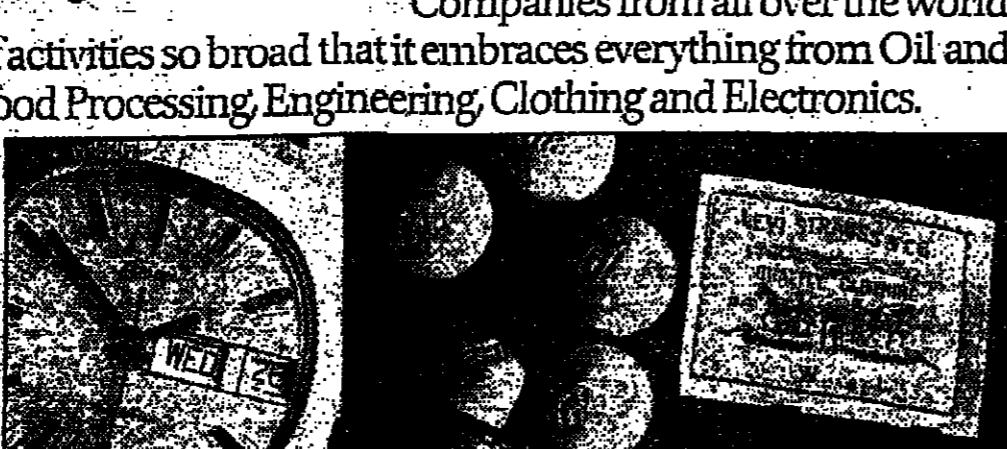
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FINANCIAL TIMES REPORT

Tuesday September 5 1978

Irvine New Town

The old and the new

By Ray Perman

Scottish Correspondent

MOST NEW towns are built on "greenfield" sites. The term evokes an image of open countryside, a virtual blank on which planners can give full rein to their imaginations, constrained only by the need to conserve a clump of trees here, or an historic church there. The birth of Irvine 12 years ago could hardly have been more different.

The designated area does include former farmland and a ruined castle, but the character of the area before the Development Corporation was established had been formed by the Development Corporation. The spoil heaps have statistics show that families enjoy a high standard of living: 92 per cent of those in Irvine own a refrigerator, compared with 80 per cent in Scotland as a whole and only 71 per cent in the UK. Some 15 per cent own a washing machine, and 51 per cent have a telephone.

New housing has brought the most part of the town's population up to 58,000 and that there is a lot of travel in and out of Irvine to work. In

century—was already well-rounding towns of North Ayrshire. The old industrial estate, established and, with Kilwinning, which is also within the designated new town area, had a population of 33,000.

The challenge set to Irvine Development Corporation was not to create something from nothing.

It was to build a new and dynamic community from one which was old and decaying. It is fair to say that the raw material was very unpromising indeed: a tract of coastal land scarred by economic and social dereliction almost comparable to that in the inner cities. In some cases slag heaps had been overlayed with sterile chemical waste and in others what looked like good green land was found to be so undermined by shafts and galleries that it was useless for intensive building.

But if the beginning was so daunting, then the achievement is that much more impressive. Irvine is still a young town and there is obviously a long way to go. The immediate impression given by the town centre is of old buildings rather than new. But a great deal has already been done.

The old town centre has been transformed by a by-pass which has taken out through traffic and by a new covered shopping arcade which spans the river is of a high quality and has been removed or covered with a high standard of living.

Industry rather than by the worst areas of dereliction is now a green park leading to a

centuries of rural use. By mid-1980s Irvine and the sandy beach several miles long immediate surrounding area of which was previously inaccessible and so unused. The North Ayrshire had seen more industries come and go than harbour—owned by ICI, which

most other parts of Britain: shipping, shipbuilding, textiles, mining, iron ore smelting, heavy engineering and chemical manufacture—all had left their

centres in Britain.

New housing has brought the most part of the town's population up to 58,000 and that there is a lot of travel in and out of Irvine to work. In

the early 13th century lower than in the sur-

example

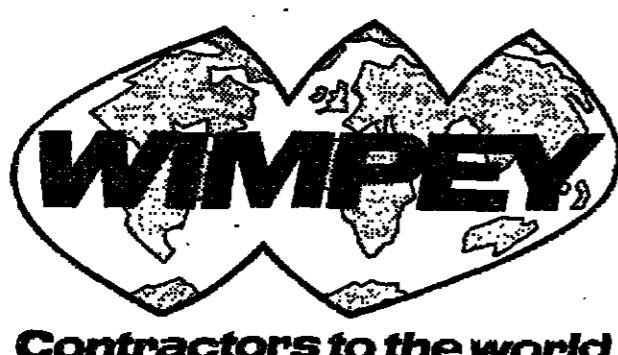
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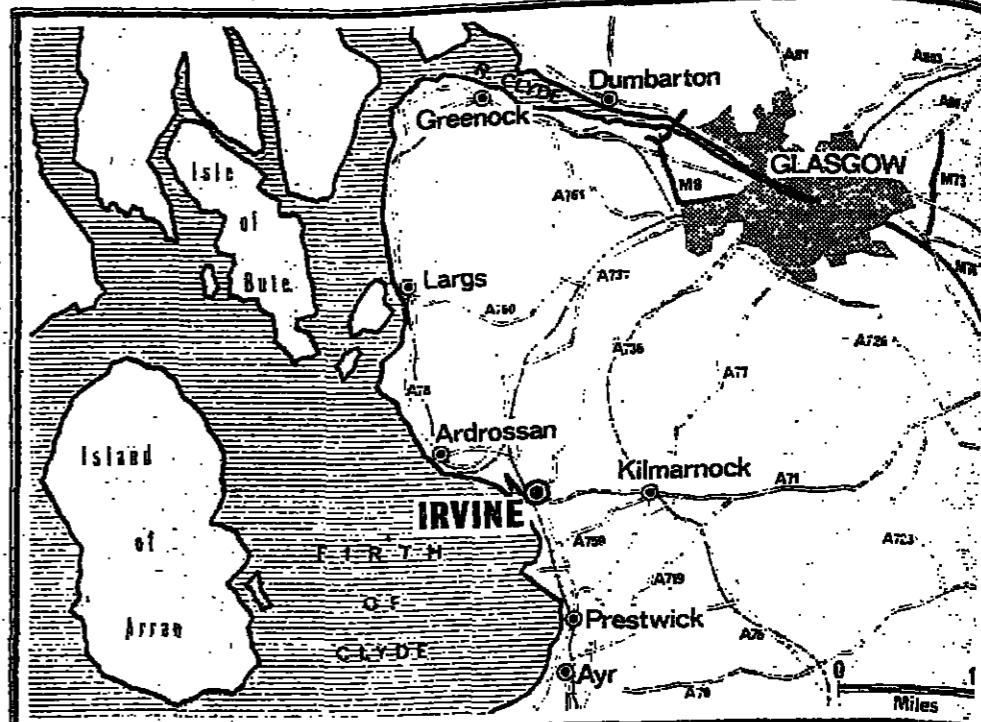
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The weak links

ON THE face of it, communications to Irvine New Town could no longer just take inquiries as they come in," comments Mr. Mike Thomson, Irvine Development Corporation's commercial director. "Since 1973 the picture has completely changed and most of our efforts are directed to getting out to see industry and to chasing every possible lead."

But there are signs that prospects are looking up again. Since the beginning of the year Mr. Thomson's department has noticed a renewed confidence from industry. "Companies are actually arriving unannounced and asking to have a look round and we have noticed some firms who were here a couple of years ago but then shelved their plans for coming back to see us."

In the first six months of this year around 100,000 square feet of advance factory space was let to companies which will provide about 400 jobs. That figure is almost twice the area let in the same period last year and is only slightly below that let in 1973. Most of the new space is being taken by companies already established in Irvine who are now ready to expand, but there are also companies moving in.

But Mr. Thomson acknowledges there is no room for complacency. Adult unemployment in the town now total around 2,800.

Irvine may also have a job to do outside its own borders. Unlike many other new towns in rural settings which have clearly defined limits, Irvine is surrounded by other, older towns. In this context the new town designation area is a mere official convenience. The Development Corporation has never regarded itself as anything but a part of the wider North Ayrshire community.

The area has undergone some savage turns in its fortunes in recent years. The massive steel complex planned for Hunterston, a few miles up the coast, which has been the Holy Grail of the Scottish trade union movement for years now seems to be a non-starter, and uncertainty hangs over the fate of the Glengarnock steelworks. The loss of around 750 jobs seems certain, but the future of the remaining 350 in the plant is far from secure.

Both district and Strathclyde Regional authorities have been busy trying to find replacement industries to bring new life to this depressed area, and their efforts may be bearing fruit.

Relations between the town and neighbouring district authorities are good, as evidenced by the co-operation over the building of the Magnum Leisure Centre. But the atmosphere has recently soured north of Irvine and while its

development as a major steel-making centre has been positive, services to most of the North and explosives complex.

Rail links are good despite the loss of much of the freight terminal in the UK when it is handling facilities during the cuts of the 1980s with services

Although Irvine is more isolated from motorways than

With an improving road network promised over the few years, earlier bad

Irvine had largely moved and it could find

in a better position than

new towns to serve industry.

John Drummond

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The Management Page

BRITISH managers could be taking a bath with their boss. But this sociable culture may be one of the keys to extraordinary achievement of Japanese industry.

It is important, if rather mundane, to be the person for senior managers to a few workers for drinks on the way home, in one of many hole-in-the-wall bars found in every Japanese town.

As the snacks, beer and so on, they can spend hours away from the office, off-the-record critiquing management policies or interviewing techniques.

Such activities may seem unusual, and — in European — redundant of feudalism. But they are revealing illustrations of the unusual attitude to work, both in the office and on the shop floor, which rates Japan — and lies behind its high productivity and trade surpluses.

So the sense of a national community is deeply embedded in the Japanese sub-conscious. Throughout his working life and on into retirement, the worker in the average manufacturing plant or office receives a high level of emotional support — a wide spread of fringe benefits, a share in the profits by means of two yearly bonuses and, in return, gives his or her maximum of the workers have proximate roots in the widespread acceptance of Zen philosophy on and beyond behaviour.

It is a deliberately balanced society could be easily disturbed by strikes, but so long as workers are able freely to identify with "their company" they are very rare. When do occur, it portends a failure in management.

Management senior workers is likely to be efficient to avert such undesirable events as stoppages, so high is the worker's stake in the success of the enterprise. Primary loyalty is to the president of the firm, under a Confucian moral of great force to do whatever is necessary to secure the welfare of his workers and their families. It is a job which

FOR SALE top companies require an extraordinary combination of dexterity, moral strength AS GOOD physical stamina.

company-union is concerned by the workers and every type of unskilled worker. But

Zen and the art of industrial success

BY JEREMY DODD

workers are not tightly classed into a company-community, and is assigned to a section where he or she will work alongside one or two "seniors" who will make the necessary introductions all round.

Throughout their careers, they will retain the same senior-junior relationship within the hierarchy of their section in the plant or office — after all, the efficiency of the working community depends on team-work. Parties and other celebrations held in works or nearby restaurants by the work-team, section, division or, on a special occasion, the whole factory, create friendships between like-minded people.

The company president and his managers find the time to seek out new workers at their work station or when they are in the unsegregated canteen or washroom, and ask them about their families, housing situation and so on.

I have often seen this on a busy construction site. By wearing the same type of overall jacket and trousers, marked with the same embroidered company insignia, the grading structure is given minimal visible importance.

It is tradition which also prompts senior managers to find time to invite a few workers for that drink on their way home. By the time everyone has bought a round of drinks it is usually eight or nine o'clock, and time to go home.

There are two main ways of entering the company. The academically-minded can enter from university, the most prestigious firms take top graduates from a particular university in one of the major cities with the right "name value". Or one can go directly into the company from a specific high school which is only entered after passing very selective examinations on finishing middle school. Large companies like Toyota or Matsushita have their own excellent high schools.

Once accepted in the job the worker rapidly becomes a member — albeit junior — of the company-wide general support and will be given emotional and physical backing to the hilt — it

has become the plan of the community.

The best way to test the reality of shared and equal esteem that the managers and workers have for each other is to join them on a company trip.

This is where that communal bath comes in. If they stay in a Japanese inn, communion in the scaldingly hot steam and water of the swimming-pool sized bathroom will form an important part of the proceedings (the sexes are segregated). It must be particularly difficult to keep up a facade of superiority when naked.

Company-sponsored trips, often in the firm's own coaches, take a whole section or number of work teams to seaside or mountain resorts. Everyone goes along on these outings, which last a few days, or even a week, where virtually everything is paid for by the company. Plenty of activities and entertainments are laid on.

The sense of community is strengthened, since the workers and management get to know each other in a relaxed atmosphere, where everyone goes at their own individual pace instead of at the external pace set by the production line.

There are company trips for families as well, and every autumn there is a factory-wide athletics day when all the children and parents join to form teams for sports and festivities.

Negotiations

The financial aspect of this relationship is carefully balanced. Twice a year, at mid-summer and just before New Year bonuses based on the success of the company are given to all the workers. They form a partial redistribution of wealth, treating the working community as a whole.

The summer bonus may range from one to as much as three for the average boy or girl in months' normal monthly salary high school. Having joined, it

is the plan of the community.

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There are company trips for families as well, and every autumn there is a factory-wide athletics day when all the children and parents join to form teams for sports and festivities.

If the husband works in an efficient company, there are many special occasions when his family can be sure of financial help. Weddings are paid for (introductions will be arranged to all the workers). They form a partial redistribution of wealth, treating the working community as a whole.

The author, an architect, belongs to a good, efficient landscape designer and writer, with a dynamic company community managing and

powering it, is an early ambition

in Japan, working with Japanese construction companies and building products manufacturers.

EDITED BY CHRISTOPHER LORENZ

A union view of the debate on industrial democracy

The Industrial Democrats: Trade Unions in an Uncertain World by Giles Radice, George Allen and Unwin, £6.95.

WHATEVER THE outcome of the expected general election, one major issue which has grown in significance during the lifetime of the present Labour administration will remain in the forefront of political and industrial debate. This is the development of industrial democracy, as seen in its broadest context ranging from trade union influence on Government policies to employee influence on company decision-making.

Consultation

If Labour wins the election, the incoming Government will have to decide, along with the unions, how to develop the social contract style of relationship of the past four years. At the same time Ministers will have to consider how to handle a Bill that is now being drafted in Whitehall to give employees statutory rights to consultation and, later, to boardroom seats.

If the Conservatives win, they will have to face up to how to live with the unions in the national political and economic arena. They will also have to decide what sort of legislation — if any — they should start to prepare to expand employee participation in industry.

So it is timely that Mr. Radice, who is now a Labour MP and used to be the General and Municipal Workers' Union research officer, should choose this moment to produce a book on this broad subject.

He advocates the extension of trade union influence at all levels of the country's political, economic and industrial life,

Skeletons

The skeletons that he could have released, remain locked up, however, and one is told little or nothing about the political infighting over the issue — neither Lord Bullock nor Mrs. Williams even rates an entry in the book's index!

There have been some other books on the same broad subject recently (I have to declare an interest as the author of one of them). But Mr. Radice's work is specially valuable because it is written from the point of view of the unions by an author committed to seeing their role extended.

John Elliott



Why can't you simply ask them home for a drink, like other managers?

Hard effort

The worker, if content, will look for ways of improving his company. The very limited pattern of job change means that a worker expects to stay with one firm throughout his career, so he tends to regard hard effort, or the sharing of new ideas for increasing productivity and profits, as normal behaviour.

There are two main ways of entering the company. The academically-minded can enter from university, the most prestigious firms take top graduates from a particular university in one of the major cities with the right "name value". Or one can go directly into the company from a specific high school which is only entered after passing very selective examinations on finishing middle school.

Large companies like Toyota or Matsushita have their own excellent high schools. Once accepted in the job the worker rapidly becomes a member — albeit junior — of the company-wide general support and will be given emotional and physical backing to the hilt — it

is the plan of the community.

Paradise comes to Cowley

position in the market. Its Shoppers Paradise in Leicester for not having to finance local advertising and promotions.

Although run as discount operations, Fine Fare believed that stores should not have the run-down, seedy appearance that so often characterizes price stores. Thus, while the chain's growth has encouraged more manufacturers to sell to Shoppers.

Shoppers' costs are also reduced by keeping few stocks on the premises but relying instead on Fine Fare's depot and distribution system.

The success of Shoppers has taken most of the High Street operators by surprise, even checkout staff in normal supermarkets where prices are clearly shown often make mistakes in adding up the bill. Shoppers Paradise was perhaps asking people to accept too much. But Shoppers only took on full time staff instead of the usual part-time and casual workers, paid well above the going rate for good people, and then subjected them to several weeks intensive training in order to achieve the high-level of consistency at the checkout.

Fine Fare has been able to keep Shoppers Paradise's prices down by putting pressure on manufacturers to offer discounts both for bulk orders and for single items. Fine Fare opened its first delivery and in exchange

for not having to finance local advertising and promotions.

This is a technique which other discounters — notably ASDA — also use. While main brand manufacturers were at first reluctant to accept these terms for Shoppers stores, the chain's growth has encouraged more manufacturers to sell to Shoppers.

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County of Cleveland

OCERA



Rosemary Harris and Fritz Weaver in 'Holocaust'

Holocaust by CHRIS DUNKLEY

population of Holocaust, subject matter of the motives of worst possible reasons, and many will be held by the story-line of America to be shown in Wartime in Britain, the central question is the obvious one: can there ever be justification for using such a horrifying form of entertainment? The Americans, it again, we were told: tragedie—this time of a magnitude—had been brought to us from the artists. They had too much to do with the entertainment and thus devalued it in supply and demand. The few million quick business in commercial television, which was nothing less than the Nazi genocide of the Hitler was being used to built around the gas ovens at Auschwitz was being to hog more raised mouthwash or what. They are here, as far as I can, it does not seem to be useful or a particularly good idea. It is, however, fortunate enough to be seen on the serial transmitted not by the BBC, but by the commercial television. This does not completely by-pass the moral AGATHA HUXLEY, it is, however, it does show it up. It is, however, you hold with profit of the town systems of command and control, all, never, mind the made and shown it.

more Hall

Dernesch and Krenn

by NICHOLAS KENYON

At the beginning of the season, Hall has started. Miss Dernesch has a rich Schubert songs were woodoo in delivery and vague in rhythmic definition. When he gained in confidence, however, the voice opened out; and in Britten's bare Canticum II, Abraham and Isaac (where Miss Dernesch was at her most cautious), the resulting drama was convincingly, if operatically, played out. Just when the balance seemed to have settled, the duo launched into a group of delicious folk-song duets by Brahms; each verse was announced lyrically by Mr. Krenn, and shattered at the piercing entry of Miss Dernesch. What should have been a rustic picture of village love turned into a contest between a vocal David and Goliath.

Reviews

Gothic scorn

at Architecture with post-war work of international significance.

Sir James Richards, critic and historian, covers 500 years of the history of Gothic architecture, and a history of Gothic architecture by J. M. David and Charles.

Illustrated £5.50

Each is dealt with chronologically, although the chapters are devoted to separate categories of building and of movements. Fortresses, churches, country houses and civil buildings take their proper place with Romanticism, Art Nouveau and the modern movement.

The illustrations are superb and appear on almost every page; each is accompanied by a critical assessment. The interiors of medieval churches are a revelation, and so too is the timber vernacular of town and countryside and the simplicity of the civil buildings of the nineteenth century.

The introduction to each chapter exemplifies the thoroughness of the author's researches, and puts the story into a balanced social and political perspective.

But there are one or two points which should be rectified in a second edition. On page 117 one reads: "Arthur" William Finch Finch was half English and on the same page: "a Spanish Parliament house" was never built for political reasons, which prompts one to ask for what reasons was it built? But the eye can clearly see it.

This must not detract, however, from this splendid volume.

H. A. N. BROCKMAN

The Violin Makers by Mary Anne Alburger. Gollancz. £9.50, 238 pages.

Consisting of taped interviews with 25 craftsmen working in Britain, who make or improve (usually both) violins, violas and cellos, Mary Anne Alburger's book seems a little repetitive at first, especially as the author has

The Hayward Gallery

Ladies First by WILLIAM PACKER

The Hayward, that most per-consideration, is certainly there if not always most, are enough good female artists beautiful of Annuals, is again in around to all the Hayward flower at the water's edge, as several times over with the variegated and diverting a work, and the Council's display as usual, and holding as few surprises. To be so is indeed in the very nature of the growth and to say as much is not meant as serious complaint. And yet complaint is probably inevitable, for importance must attach to any large and official selection of current work, no matter how the choice was made. No one can please everyone, and a committee will please no one: compromise will always modify adventure, while artists see their careers at stake. With a year to wait and such a prime spot to fill, expectation runs very high.

Last year's double-header was in many ways an admirable, though by no means definitive, survey of the work of the middle, established generation of artists, and yet it was averaged vicariously from all sides. *Deja vu* and *Displacement* go naturally together, and to many of those professionally involved in the art world so much of the work shown seemed depressingly predictable, complacent and safe. To the public at large, on the other hand, longing for the true, the beautiful and the good, not at all so sure about the new yet quite prepared to relish any frisson or honest outrage, much appeared to be incomprehensible, if not actually fraudulent rubbish.

This time the exhibition itself has excised far less controversy than last, though the opportunities for it remain fairly plentiful, with some minimalism about, and conceptualism, body art, the odd installation, and even Mary Kelly's elegant nappy *Umbrella* all at hand to inflame Presbyterian indignation; whilst the few newer faces are no less conventional than their more familiar peers. Perhaps we ready have learned the lesson at last: keep an open mind, accept the limitations of the exercise, and take the work on its merits.

Much has been made, however, of the preponderance of women in the show, as though that should make it stand necessarily as a manifesto for the cause. It is in fact nothing of the sort, to the great credit of those involved. A delegation of women did appear to the Arts Council to make the reasonable point that the number of women whose work was shown in its group exhibitions, and acquired by public collections in general, bore no relation to the number actually practising as artists. What to do about it is an awkward question, that of comparative quality. If anything more awkward still, the idea of an imposed proportion of representation no solution at all; but the point is well made that women should be given fairer

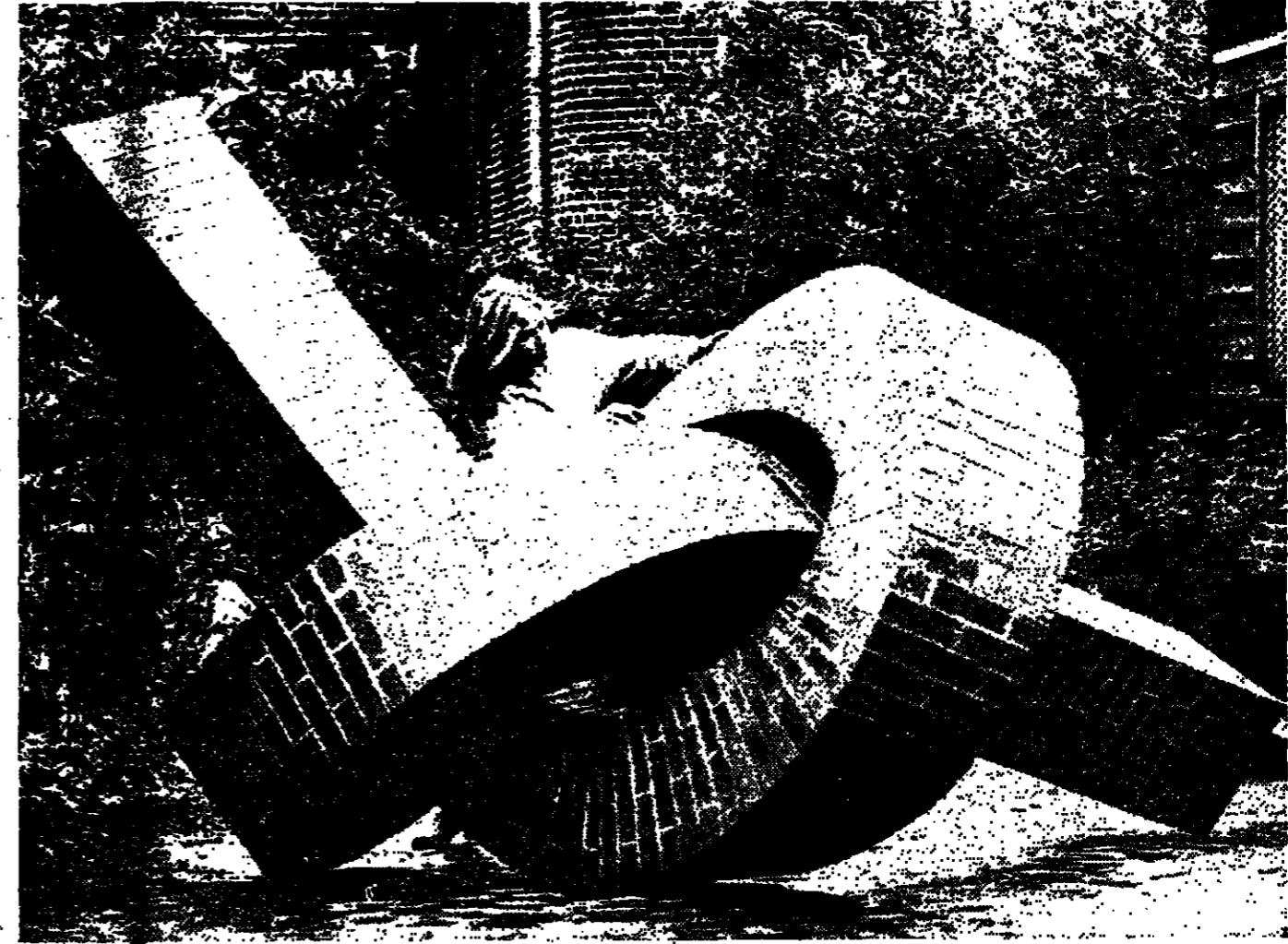
straight-forward, modest and very first thing the visitor sees, effective compilation, a shade is particularly successful, a real sculptural coup. And Stephen Cox, whose large, simple and general character of its judgments, which is inclined to be discreet and tasteful, to the disadvantage of the weaker artists, but well laid out and containing a number of treats. The best work is on the lower floors, the most outstanding single piece of all a little way into the circuit, and overture.

Perhaps it is a pity that they should have decided after all not to make their an exclusive show, for an all-female cast would have had a great deal to recommend it, making for unity and a certain political purposefulness, not a little strength and much interest; the room was available, and there are several notable absences. And, besides, the inclusion of men could well have been somewhat uncomfortable for all parties, too easily seen as supplying merely a token presence. But against these misgivings must be set the very real desire to avoid making out a special case for women, rather in put up their work to be accepted and judged on the same terms as that of men, which is to say in its own inherent qualities.

This Annual is, therefore, a

would have relished quite as much as the imagery. Alexis Hunter's photographic sequences, collectively entitled "Approach to Fear," are stylishly and effectively carried through, an intriguing kind of narrative art that is notable as much for its formal invention, and visual wit, as for the anthropological material with which it deals.

Upstairs, unfortunately, the show is generally less successful, the constructivist section especially so, dreadfully overdesigned, the work lost in the installation to the point where criticism becomes unfair, though it must be said that the artists concerned did the burying themselves. Rita Donagh too, whose work is always interesting, though perhaps too inclined to celebrate the cleverness of her ideas than the virtues of paint and line, suffers, through no fault of her own, from a miserly budget. And Mary Kelly's convoluted drawings of castles, battleships, artillery emplacements, all taking the greatest liberties with perspectives and graphic logic, yet entirely and outside, where Steve Furber's even charmingly convincing a plausibility that Uncle Toby's refined water-garden comes as a great relief.



Wendy Taylor's 'Brick Knot'

Gospel Music Workshop

A rich harvest by FRANK LIPSIUS

In the catalogue of its eleventh convention, the Gospel Music leader, introduced in offering Workshop of America considers on a note that combined the Reverend Retha Glover, a well-known minister from Detroit, whose matronly appearance was of the contemporary movement. He said that the Lord had come to him the night before and mentioned the Trinity. He was therefore asking, despite the restraint it would impose on those who would have given more that each man in the hall queue up in the aisles to give three dollars to the offering.

At a rough count 2,000 were there. The meeting was held, with no apparent irony, in Constitution Hall, the assembly of the Daughters of the American Revolution, which at one time was considered among the most conservative, uneconomical groups in America. It holds almost 4,000 and the gospel singers under the direction of a single leader, moved quickly to the stage and spread across it in two rows. Since more than three hundred such groups had come assembled, Mr. Cleveland in be paid promptly in advance. Invited choral groups, consisting of as many as a hundred singers under the direction of a single leader, moved quickly to the stage and spread across it in two rows. Since more than three hundred such groups had come assembled, Mr. Cleveland in

invited those willing to give two hours. Singing sermons and instructions in a familiar pattern. Every speaker (a reverend) all spoke slowly and loudly.

Once the men willing to donate the requested amount had come assembled, Mr. Cleveland in the hymn. The Baltimore Mass Choir is a blind women's soloist. They did "We Shall Walk Through the Valley," a hymn setting the 23rd Psalm to music.

First singly and then by the dozens the audience lifted their arms. Some stood up, hands waving, heads nodding to the rhythm of the hymn. The participants, it merely followed the pattern of their local service and had much less importance than the music and service around it. Presiding over

refuge from lives that probably have as much in common with their antecedents as their services do. Though they call themselves by different denominations, ranging from Baptist to Pentecostal, they share a belief in born-again baptism through total immersion in bath or rivers consecrated for the purpose. The trappings of conventional religion are confined to candle-lighting by young boys dressed in long robes.

When not gathered for a service, the convention consists of rehearsals for male, female and debutante choirs, as well as business and professional meetings and announcers' guild meetings. The gospel music market had desks in the convention hotel lobby, giving evidence of the health of the last area of the music business left almost exclusively to small entrepreneurs hawking records practically door-to-door.

Many of the choral groups had records available for sale, as mentioned at the service. Sheet music, now a minor part of the music business, remains a strong seller in these conventions. The hawkers were at their desks throughout the day, whatever activities were going on in the convention. The competition for people's souls, which at one time occupied the thoughts of each minister and each denomination, seems to have given way to competition of a more material sort.

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Tuesday September 5 1978

Carter's role at Camp David

WHILE IT would be premature to describe this week's summit as a last-ditch attempt to restore life to the negotiating process started ten months ago by President Sadat, it is clear that it will be a major test of the good will of both Egypt and Israel in searching for a Middle East settlement. Unfortunately, these two countries are approaching the meeting in such very different frames of mind. The Egyptians are putting it about that, without a major step forward at Camp David, the Sadat initiative will be as good as buried; the Israelis are taking an altogether cooler view, that this is just another meeting in a series of meetings. Undoubtedly, both sides are adopting postures which they think will suit their cause.

In the sands

Success and failure are, of course, relative terms, which must be seen in the context of the months which have elapsed since President Sadat astonished the world by visiting Jerusalem ten months ago. The psychological effect of that historic gesture was remarkable. It transformed the balance of opinion in the western world, and especially in the U.S., on the relative merits of the rival positions of Israel and the Arabs. But in substantive terms, the negotiating process which was started by that gesture ran into the sands in January of this year.

Camp David will be a success if it offers any serious indication that the Israeli Government is prepared to make a significant move towards the Arab position. Without such a glimmer of hope, there is a real danger that President Sadat, long reviled as a traitor by Syria and Iraq and other hard-line states, may decide that the time has come to mend his fences with the rest of the Arab world, and to withdraw his offers of peace negotiations with Israel.

Clearly, much will depend on the role which President Carter plays at Camp David: clearly, too, he cannot avoid the prospect that his own credibility as a power broker in the Middle East will be affected if this meeting is not a success. Given the yawning chasm between the Israeli and Egyptian positions, force them to make concessions.

Muddle-headed success story

THE TERMS of the offer for sale by the National Enterprise Board of part of the Ferranti aircraft and shipbuilding have already been nationalised as if the NEB had never been created, and vocal lobbies demand that construction and insurance should be added to the list, with the clearing banks and the building societies as possibilities for future quarry.

Split approach

This muddle does both short-term and long-term damage. The nationalised aircraft industry has spent a summer of agonised embarrassment between its rival American and European suitors, where two independent concerns might have followed their natural bent. The nationalised shipbuilding industry, despite a federal structure imposed precisely to avoid over-centralisation, is already the scene of rows over remote decision-making.

The split approach incidentally damages the NEB, since its potential scope is reduced, and problems such as Leyland bulk-disproportionately large in its activities. A modest success like Ferranti cannot exorcise the possibility of enormous failure, as the NEB's management struggles with a brief which demands a mixture of rescue operations, interference, and straightforward enterprise. Even the portfolio holding in Ferranti is a half-way house. The NEB could either have sold the whole concern back to the private sector, and so got the City's full-scale endorsement for a triumph of State intervention; or, perhaps have moved in a more Liberal-Socialist direction for, with example, a proportion of worker shares.

The real missed opportunity is the Government's. The NEB might have been the beginning of a coherent approach to State intervention in industry—an approach which could have been developed into something bipartisan, since even the Conservatives when in office have found it necessary to intervene, however unpalatable this may be. Instead, the old arguments would enforce efficiency.

The record of some State-owned competitive enterprises such as Renault, and indeed of some of IRI's offshoots, suggests that this approach has some potential, and a management concern such as the NEB can distance its subsidiaries from political interference. A coherent policy based on this strategy would have been a very welcome change from Labour's old approach.

Unfortunately old habits are hard to shake off, and the formation of the NEB seems to have done nothing to check the

Why the U.S. must find 4bn barrels of oil a year

BY RAY DAFTER

THE URGENCY with which the U.S. needs to find more oil and gas—not only for itself but for the sake of energy-importing countries worldwide—may have given undue publicity to the recent discovery off the Atlantic coast of New Jersey. A group of six companies, led by Texaco, has found both natural gas and condensate—a light oil liquid—in the new exploration region known as the Baltimore Canyon. The discovery was significant in that for the first time it confirmed the presence of hydrocarbons in that off-shore area. Any well which opens up a prospective production area must be regarded as important, all the more so seeing that oil companies had spent some \$1.1bn for the right to drill there.

The oil or gas which is eventually produced from that off-shore region, will help to fill part of the serious, perhaps dangerous gap that has emerged between the country's energy appetite on the one hand and its indigenous production capability on the other.

But Baltimore Canyon, even under the most optimistic assumptions, will take a long way short of making up the deficiency in domestic production. According to the U.S. Geological Survey, total resources in the 1.25m acres of Atlantic outer-continental shelf associated with the initial three leasing areas are estimated at between 330m and 2.9bn barrels of oil and between 5.5 trillion and 19.7 trillion (million, million) cubic feet of natural gas.

Projected reserves

To put this into perspective: all those projected reserves were to be found and exploited when they would yield enough oil to meet U.S. needs for between six and 22 weeks only, and enough natural gas to match present consumption for at most a year. Not that it will really be taken out all at once: the oil and natural gas will probably be produced over decades and, with luck, together with new reserves found in other off-shore and onshore regions. The stark fact is that the oil industry faces the challenge of adding 4bn barrels a year of crude oil to U.S. reserves, at least for 1977-85. On top of that companies need to find 17 trillion cubic feet of gas a year for the next eight years.

These targets were discussed earlier this year by Dr. Herman Franssen, of the Congressional Research Service, in a report prepared for the Energy and Power sub-committee of the House of Representatives Committee on Interstate and

1972 and the Federal Energy

Foreign Commerce. The point he was making was that the U.S. could be energy self sufficient by the mid-1980s have been proved wildly, even cruelly over optimistic.

Nowadays the talk is more about the possibility of stabilising import requirements. In its annual report to Congress in April the Department of Energy Information Administration pointed out that imports accounted for about 22 per cent of total energy supply in 1976, and were likely to rise to 24 per cent of gas and 12.7bn barrels of oil in 1977.

which could fall to 57 per cent by 1980 according to the latest estimates of Exxon, it would be a wise move to encourage domestic exploration and production. Oil companies argue that, instead, they have been discouraged.

Mr. Charles Kittrell, Executive Vice-President for Phillips Petroleum company's Petroleum products group, told Tulsa Rotary Club last month that

Other factors which will affect the level of U.S. imports will be a slower general growth of energy development in the U.S. was being crippled by federal price controls on oil and natural

prices—is still uncertain.

The President, to persuade Congress to a crude oil ceiling means of encouraging conservation effort is higher prices—there are even more frustrating advisers are now held for other ways domestic prices are world level.

Existing legislation, creating domestic crude oil controls, does not give the President with power to modify the laws from May, 1979. Carter has the political muscle he can use categories of oil which are currently pricing restrictions quantities of reserves reduced from old well freed for example, 34 per cent of the oil in the U.S. is produced, some 15 per cent of production generally old producing wells at around 15 per cent the remainder of the world price of oil.

Projected 2010

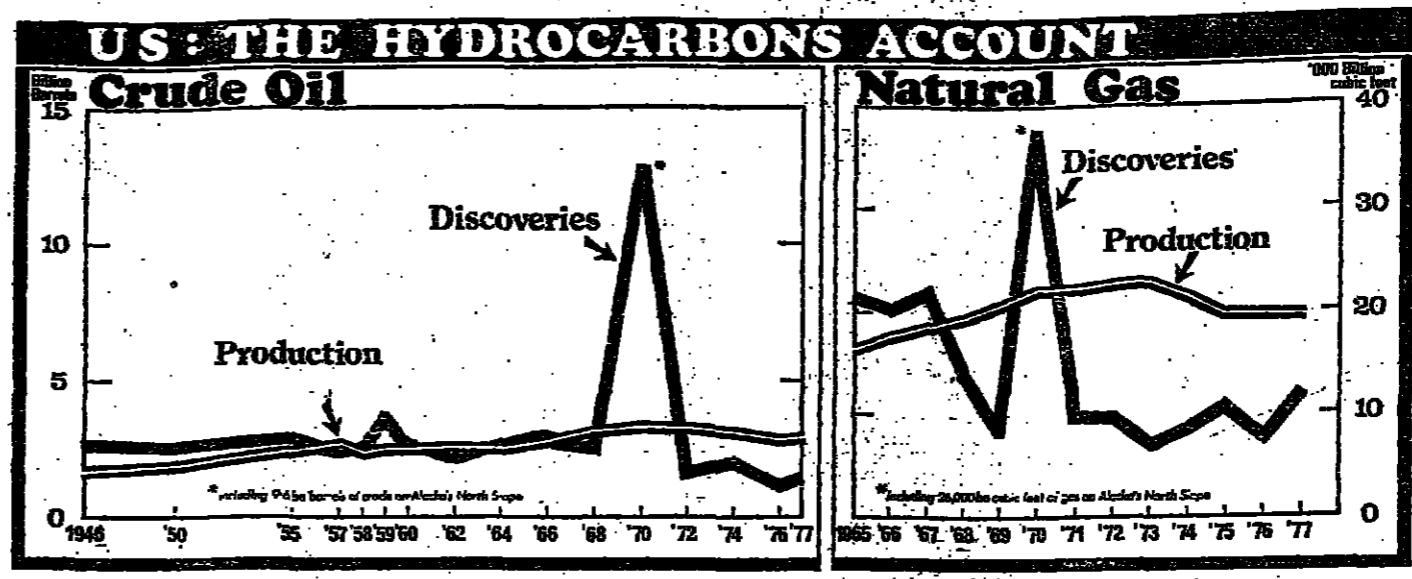
True, such controls provide oil companies extra revenue which upset the sizeable factions that feel it is already able and fat. On the it should not be left of presidential to amend the tax system that the additional not immediately the company profits.

Plenty of oil remains to be found in the U.S. continental shelf, only 6 per cent of the has been explored.

President Carter, still desperately trying to fashion an energy policy from the remnants of frustrated efforts, returned from his holiday to Washington last Wednesday to fight for natural gas compromise legislation. He feels that in order to achieve even a 5 per cent increase of coal consumption the U.S. will have to ease some of its tougher environmental legislation.

Dr. Franssen sums up the prospects in his Congressional Research Service report: "Under the worst conditions, failure to design and implement an energy policy in the U.S. which will bring energy demand and supply more into balance than is suggested in this analysis could endanger the nation's national security, the world's monetary system, world economic growth and could eventually shake the very social and political foundations of the nations of the free world."

Earlier last month there was a White House rejoicing because the proposed compromise deal, which would control gas prices on newly discovered gas by 1985, had finally been approved from the some of the alternatives majority of a joint House-Senate for the U.S. fuel price conference. But the outlook as even higher imports for the compromise Bill—a enforced easing of complex, sometimes ambiguous mental restraints over 70 per cent of the U.S. arrangement of at least 17 energy formats are energy needs (a proportion of gas distasteful,



of oil were added to U.S. proven reserves.

But even that outstanding find was not enough to redress the long term imbalance of reserves and production. For the past 10 years or so the U.S. has been producing oil and natural gas at a faster rate than it has been adding discoveries to reserves. As a result proven reserves of crude oil at the end of last year were some 29.5bn barrels, almost 10bn barrels less than in 1970. Natural gas reserves fell by about 28 per cent during the period to a position where they stood at 20.5 trillion cubic feet at the end of 1977.

Hence the U.S. still finds itself a major importer of fuel. Recent studies have shown that there is little hope of reversing that position in the short and medium term. In simple terms the U.S. is not discovering oil and gas fast enough, neither is it moving with sufficient urgency along a path of development of other energy sources—nuclear electricity and coal in particular—nor has it yet come to grips with a full scale conservation programme.

Consequently, the U.S. is importing well over 40 per cent of its oil at a cost, in 1977, of some \$45bn. Projections by the National Petroleum Council in

The Petroleum Industry Research Foundation, in its report sent in 1978-1980 to 2.1 per cent 24 years ago, had discouraged imports could have risen to over 10m barrels a day, some 38 per cent above the 1976 level. That does beg some questions. Will member states of the Organisation of Petroleum Exporting Countries, and in particular Saudi Arabia, be prepared to raise output in the 1980s? Or, following the present glut of oil supplies which has tended to depress prices in real terms, will OPEC hold back production in order to create a tightness of supply and a significant increase of the price of crude oil?

No physical limit

The signs of OPEC exasperation are there. On August 8 Mr. Ali Mohammed Jaidah, Secretary General of OPEC said in New York, that the U.S. had demonstrated a "psychological inability" to confront its energy problems. The feverish development of the North Sea and Alaskan Oil was designed to off-load as much non-OPEC

was the final decision of the Illinois Appellate Court: "The walkie-talkie was designed for communication purposes, not for the prevention of criminal attack." So the manufacturers, RCA Corporation, can breathe freely again. Which might be some consolation to the British Post Office, just in case anyone should try to collect for being unable to dial 999 during the engineers' dispute.

Food for thought

Good news from Hefei city. There in eastern China the all-pervading shadow of the Gang of Four has at last lifted—and the ducks have returned to the market place.

Before the fall of the Four, two years ago life was tough for any peasant who dared to raise a duck and sell it. That, when it turned out, was a heinous capitalist practice. As a result Hefei went without. But now Chinese gastronomes can breathe freely and eat easily. The policy has been reversed, the new one is being "correctly implemented" and is leading to a glut of duck. In the past ten years alone 200,000 of them have been waddling out for sale in Hefei. And the blessings spread as duck for Hefei is duck for Shanghai too.

The policy has been reversed,

Still Cursley did inform me that he and his staff made it a normal part of their business to look at what was said of the civil service by the media and were checking whether any issue deserved attention, a rebuttal or an apology. Had they not done this before? I asked, to be told "not quite to the same degree."

Another startling innovation is that they are drawing other departments' attention to what is said of them. The CSD deals with such matters as the civil service code of conduct, but Cursley did not want to discuss whether "Oligate" the Chinese gastronomes can breathe freely and eat easily.

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As for the new plans to improve the public's picture of the civil service these, he told me, had important "resource implications"—in other words they might necessitate larger staff. But Cursley says he is not planning to increase his own staff of five. Is it easy to raise their productivity? No, came the answer. Meetings and holidays apparently make that "very hard."

Title story

A courteous note from a publishing house has come into my hands. It concerns a review copy of a book. "I am afraid the review slip is wrongly dated," says the letter. "It should read '28 September 1978.' I would be grateful if you could alter this." The book's title: "Grave Mistake."

Observer

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MEN AND MATTERS

Putting the brake on the Mini

The arrival of October 1 will be greeted with some relief by Austin Morris. It is the date when yet another modification will be made to the braking system on the Mini—and BL, British Leyland as was, hopes that it will not lead to the same problems as the last one.

A number of Minis built since October 3 last year have been playing up. The Metropolitan Police tell me they are "aware of the problem" although it only comes out when Minis are used for "operational purposes"—in other words for hue and cry. But earlier this summer the police forces of Cheshire and North Wales ran into some difficulties. And a spokesman for Greater Manchester police says that as a result of "sporadic faults in the braking systems" 103 Minis which they had bought last December were taken off the road.

BL tells me "Any odd-ball problem always comes out first with the police. We regard the police as the ultimate test of a car." But when I asked about the various private complaints which the company has been receiving, I was told that the dual braking system introduced last October as required under EEC directives, "does seem to have increased the sensitivity to unevenness."

The company insists that it does not know of any accidents caused by this fault, but says that it has issued instructions to dealers that when checking the braking system they should do so "from literally the ground upwards." BL says "a lot of cars have responded to having their master cylinders changed"; when I asked what he meant by "a lot" the spokesman said he would be surprised if it were in the hundreds. As for a general re-



guard found himself alone with the gang. They shot him. The courts were distinctly sympathetic. Such a criminal act could not have been foreseen, says Sydney

COMPANY NEWS + COMMENT

Esperanza doing better after £2.3m fall

WITH THE expected second half recovery failing to materialise, pre-tax profit of Esperanza Trade and Transport fell from £5.35m to £2.05m in the March 31, 1978 year. At half-time profit was £1m lower at £1.75m.

Turnover for the year was £83.86m compared with £85.24m, net after tax £1.77m, minorities of £1.53m (£101,000) and extraordinary debits of £18,000 (£20,000 credits) available profit came out at £1.08m to £3.3m.

Of the profit, international services contributed £2.2m (£5.01m), while copper and pyrites suffered a £2.07m loss compared with a £4.70m profit last time.

Directors say that following the fast growth of the company from 1971 to 1977, international services declined so quickly that consolidation of the management structure appeared to be of primary importance. This is taking longer than expected, they say.

The results of international services reflect the lower level of world trade, the depression in the shipping industry and the cost of the consolidation of the already expanded service operation.

Company activities will be of little significance in the future, but it is hoped that when the management structure of the group is completed profits will again resume an upward trend.

Trading in the current year is running at a level significantly above that of the second half of 1977.

Earnings per 12.5p share are shown at 12p compared with 23.5p and the final dividend of 2.44p net takes the total from 5.03p to 5.64p. Dividends will absorb £60,000 (£833,000).

• comment
Esperanza's dash for growth — pre-tax profits in the year to 31 March 1978

HIGHLIGHTS

ment Lex looks forward to the next banking figures. Also under review is the full details of Ferranti's listing and financial reconstruction and the full-year figures from Norsk Hydro showing a small drop in profits—but here it is a question of waiting for the cash flow benefits from its North Sea involvement to flow through in the 1980s. Reardon Smith's figures show large write downs of its shipping fleet and subsequent loss for the year, while Westland has arranged a new contract for helicopter study.

maintain profits, Cantors has turned in an impressive set of results. Without the benefit of any additional branches, sales are 12 per cent higher—including small volume gain—and operating profits jumped by 51 per cent. The directors believe the figure is even higher than a sharp increase in the volume of cash sales which has reduced the level of deferred FFP profits. The result shows that Cantors has been having some success in cutting costs, but the expansion has not been matched by a significant margin, although nearly two higher at 32 per cent—are still a long way short of the 11 per cent of a decade ago. However, volume sales are now picking up in line with the increase in consumer spending and margins should be a more secure asset in the long run. The industry's surplus capacity has been eliminated. At SSP, the "A" shares are on a p/e of nearly 5 while the yield is a solid 9 per cent. This compares with an historical 6.7 and 5 per cent respectively for Courts.

Record £0.52m at Cantors

AFTER A £14,000 provision for deferred profit compared with £24,000 last time, taxable profit of Cantors' more than doubled from £1.00m to a record £20,000 in the April 29, 1978 year.

Turnover was up from £14.52m to £16.21m.

Tax takes £31,000 (£54,000) and there were extraordinary credits of £46,000.

Earnings per 20p share are shown at 7.6p, 12.65p and 14.5p, net dividend of £4.925p takes the total from 2.025p to 2.26125p net. Dividends totalling £50,000 (£22,000) have been waived.

And the directors say that full year results should show a reasonable improvement over those for 1977.

First half earnings of R. & H. Hall

WITH turnover of R. & H. Hall, Cork based grain merchant, £42.35m against £44.28m pre-tax profit for the first half to 1978 turnover was up from £14.52m to £16.21m.

Tax takes £31,000 (£54,000) and there were extraordinary credits of £46,000.

Earnings per 20p share are shown at 7.6p, 12.65p and 14.5p, net dividend of £4.925p takes the total from 2.025p to 2.26125p net. Dividends totalling £50,000 (£22,000) have been waived.

And the directors say that full year results should show a reasonable improvement over those for 1977.

First half earnings per share

are given at 4.02p (3.32p) and the net interim dividend is maintained at 0.4875p.

• comment
Over a period when most retail furnishers had to struggle even to

make a profit, Hall's profit of just over 11 and a yield of 8.4 per cent.

Revertex up 15% to £1.8m at six months

DESPITE LOSSES amounting to £80,000 (before interest) from its acoustics operations, pre-tax profits of Metal Closures & Chemicals improved 15 per cent from £1.55m to £1.81m for the first half of 1978 on turnover of £31.75m against £29.84m.

Sir Campbell Adamson, the chairman, says no real improvement is expected from the acoustics division before 1979, however, he remains confident of the future success of this business.

The better overall performance arose mainly in the UK and in Malaysia, where an improvement in earnings resulted from a more sustained increase in demand and from reductions in costs.

Attributable profits for the half year were down from £929,000 to £613,000, after tax of £93,000 (£833,000), minority interests amounting to £286,000 (£68,000) and an extraordinary credit against a £41,000 debit.

Six months

Turnover 31,750 29,841

Interest paid 362 262

Share of assoc. prof. 454 517

Profit before tax 1,550 1,250

To minorities 254 68

Extraord. credit 42 41

Variable profit 612 529

Dividends 167 167

Debt 0 0

Bournemouth £5m variable

Borough of Bournemouth is placing £5m Variable Capital, Redeemable Stock 1983 at 10% per cent. Interest payable half yearly, will sit at a rate of 1 per cent above LIBOR. A first payment of £3,4045 per

Virtually unchanged profits at

Metal Closures slips

THE UPTURN in demand indicated in May has materialised for Metal Closures Group, and profits for the first half of 1978 rose to £2.47m, against £2.12m in the corresponding period of last year.

Mr. John Boden, the chairman, reminds shareholders that in the first few months of the year, the Belgian factory destroyed by fire in 1977. The outlook for the rest of the year is brighter but the subsidiary and associate companies. It is unlikely that there will be much improvement in profits attributable to shareholders.

The future, he says, is a "matter for conjecture. But the group is spinning considerable profit and hopefully still further" to reinforce our position in what we trust will be a more stable market place."

For the 1978 half year, earnings are shown at 5.48p (5.33p) per 25p share. The net interim dividend is lifted from 1.7p to 1.9p, total for 1977 was 4.2136p paid from profits of £3.36m.

• comment

Virtually unchanged profits at

Metal Closures were not unexpected. Buoyant demand in the comparable period gave way to destocking by the group's customers in the second half of last year. In line with the packaging sector, this depression spilled over into the current half but there are now signs that consumption is picking up and full year profits of £1.5m-£2m (£5.4m) look possible. Meanwhile margins are at a shade down at just under nine per cent but a recent average price increase of 7.8 per cent should help restore 1977 levels of 10.5 per cent. Since the reorganisation programme steps have also been taken to weed out sales where profit margins have been unrewarding. Overseas, the South African subsidiary, whose profits fell some 33 per cent to £1.81m last year, is performing better than the UK, but the long term future of the South African economy is reasonably bright. In the UK, royalties from abroad are steady income while the group is well placed to benefit from the already apparent upturn in demand. At 10% the shares are on a prospective p/e of 7.9 and yield 6.5 per cent.

Cornell first half profit

The recovery at Cornell Dresses has continued and for the first half of 1978 a profit of £45,500 has been achieved.

This compares with a profit of

£33,000 in the second half of 1977 and with a loss of £33,500 for the first half.

Earnings for the 1978 half year are shown at 0.22p per 5p share. Again there is no interim dividend—the last payment was an interim of 0.3p net in respect of

1976.

• comment

Virtually unchanged profits at

Wilkins & Mitchell Limited

Manufacturers of Wilkins & Mitchell power presses and Servis washing machines

The Thirty-fifth Annual General Meeting of Wilkins & Mitchell Limited was held on September 4th at Wolverhampton. Mr. H. R. Wilkins (the Chairman) presiding. The following is his circulated statement:

The trading results for the year to March 1978 show a marked improvement over those of the previous year. The salient figures are:

1978 1977
£'000 £'000
Turnover 49,212 45,285
Trading profit (loss) 64 (521)

The trading profit results from the greatly improved performance from our UK operations in the second half of the year together with an exceptional profit arising from a change in terms of the maintenance contracts of the Domestic Appliance Division in the UK. This profit, however, was reduced by the losses of our overseas subsidiaries, particularly Australia.

It was with regret that I report the death of Mr. Tom Attwood who died on the 16th May, 1978. He joined the group in 1948 and was appointed a Director of the parent Company in 1962. He had vast knowledge and understanding of the Engineering and Power Press Industry and will be sadly missed by all his many friends and colleagues. His contribution to the Wilkins & Mitchell Group over thirty years was immense.

Servis Domestic Appliances Limited

This Division maintained its level of production during the year and also held its share of the market. Towards the end of the year the product range was enhanced which resulted in improved profit earnings which have continued into the current year. The success of the twin tub model, both in home and export markets, coupled with the growing acceptance of our new automatic and other products in the range, have given this division a sound basis for further improvement in the year ahead.

We continue to believe that "after sales service" is very important to our customers, as borne out by the success of our maintenance contract scheme, and have accordingly continued to expand this department. We now operate from 29 depots with a field force of 80 and are planning two further depots during the coming year.

Wilkins & Mitchell (Power Presses) Limited

The year under review has seen a significant improvement in the fortunes of this division. After many years of difficulties arising from lack of capital investment in the UK, the efforts of all concerned have resulted in divisional turnover rising from £5.5m in 1976/7 to £7.1m this year. Likewise profits have also increased to £97,000 after taking into account trading losses in Scottish Machine Tool Corporation Limited, and overseas interests, and exceptional adverse items of £87,000.

Our Darlaston and Oldbury factories are trading profitably and orders on hand will ensure that they will be fully employed during the remainder of the current financial year and prospects thereafter are encouraging.

Wilkins Servis Pty Limited

Contrary to our earlier expectations the loss made in the year by our Australian subsidiary was substantially greater than expected and amounted to £541,000. Despite a major reorganisation of our activities the continuing adverse trading conditions have not assisted the efforts of the newly appointed directors of this company.

Sew-Tric Holdings Limited

An offer has been made on 27th July 1978 for the entire issued share capital of Sew-Tric Holdings Limited for a total cash consideration of £500,000. The net tangible assets of Sew-Tric Holdings Limited at 30th April 1978 amounted to £402,000. The company manufactures small electric motors and Servis Domestic Appliances Limited is a major user of its products.

The improvement in UK trading, experienced in the second half of the year, has continued, and the group results for the first six months of the current year are expected to show a reasonable profit, despite the difficulties in Australia. This being so, the directors would expect to pay an increased interim dividend during the current year.

In conclusion, these trading results could not have been achieved without the effort and co-operation of all employees of the Group and I would like to thank them on behalf of the Board.

The report and accounts were adopted.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre- spond- ing div.	Total for year	Total last year
Cantors	1.43	—	1.28	2.24	2.03
Claverhouse Inv. Trust	1.5	Sept. 26	1.5	3.8	3.5
Dares Estates	0.25	Feb. 1	—	0.5	0.5
EIS	1.07	Dec. 31	0.95	—	5.05
Esperanza Trade	3.54	Nov. 27	3.25	—	3.26
Fitzwilson	2.3	Nov. 15	2.33	4.4	4.5
Garnar Scotblair	2	Oct. 27	1.75	—	4.21
Metal Closures	1.22	Nov. 6	1.17	0.1	4.21
Pittard Group	0.7	Jan. 2	1.1	2.78	2.78
Reardon Smith	0.7	Nov. 13	0.81	0.1	4.46
Reverte	0.17	Nov. 13	1.22	2.26	2.26
Reverte	0.17	Nov. 10	0.77	1.53	1.53
West of England Trust	1.51	—	—	—	—
West of England Trust	1.51	—	—	—	—

Fraser Ansabacher writes down Frankfurt interest

BY CHRISTINE MORRIS

Fraser Ansabacher, the troubled merchant bank, has written down to £10.00m its 28 per cent stake in a building which cost £22m to construct.

MEPC, the property giant which owns the majority 65 per cent holding in the building—a 25,000 square foot office block in Frankfurt, has written down its 10 per cent stake in the building to £10.00m. The nominal value was "an upgrade" on last year's valuation by MEPC which threw up an equity deficit.

The problems surrounding the building have been guessed at for some time, but the full details were only released yesterday when the bank announced that it had sold its 10 per cent stake in the building to a token £1. Fraser Securities, the subsidiary which owned the stake in the German property.

The building is called Europa and is now 60 per cent let and producing around £1m in rent per year. MEPC raised the funding it locally from Fraser Securities to sell its stake to MEPC three years after the partnership deal with MEPC.

The directors explain that the company's acquisitions of Leicestershire Butchers' Hide, Skin and Fat Co. and Thomas Dunlop and Sons (Aldermaston) had been discontinued and furthered their policy to ensure adequate supplies of quality raw materials for the tan

BIDS AND DEALS

Comben has support for its increased offer

By JAMES GARTHOLONEW

that these days the market is just as provided for the world as it has been for the last 20 years. Future

strangers to the market are now offered a choice between the two main types of investment: the traditional safe bet of a long-term bond or the more risky but potentially higher return of a stock market investment.

Mr. Bob Tanner and Mr. Peter Whiffield, directors of Ormeau Developments, who hold 5 per cent of the company between them, intend to recommend the increased offer by Comben Group announced last week, whatever the Board as a whole might decide to recommend when it meets on Tuesday.

But Mr. Tanner still hopes that another bidder might emerge from the sidelines and has some ideas for that hope.

Mr. Tanner and Mr. Whiffield would accept an offer of a higher one than the current one, as announced yesterday by Mr. Charles Sandercock, Sanderson and Co, who was interested in acquiring the company's stake. He had not asked who the buyer behind this back to look around the current market price. Just as Mr. Tanner had no intention of selling his remaining 5.1 per cent, obtain the best possible offer from another company.

Comben's initial offer received acceptances from holders of only 1 per cent of the equity.

unsecured loan stock of Helical Bar into 500,000 ordinary shares. It has subsequently sold 260,000 shares to SA-Societe de Participations Industrielles and 260,000 to Queenborough Sheet Co at a conversion of 60p per share.

These holdings each represent 6.6 per cent of the capital as increased by the conversion. Abingworth retains 600,000 shares (14.77 per cent of the increased capital).

CARLESS CAPEL INTEREST IN U.S. GAS FIELD

Carless Exploration (America) Inc, a wholly-owned subsidiary of Carless Capel and Leeward, has purchased a 30 per cent interest in the Ledger gas field in Montana, together with a similar interest in the nearby Lothrop prospect for \$1.3m. The funds are being provided under a loan from a U.S.-based eurodollar facility available to Carless Capel and Leeward.

Carless Exploration intends along with its partners to further develop the Ledger field by installing new compression facilities and by a planned drilling programme. The output from the field is dedicated to Montana Power Co. and it is anticipated that within the next two years development will be self-financing and will generate a satisfactory profit contribution from 1979 onwards.

CELTIC HAVEN PLACING

The 1m Celtic Haven shares held by the receiver of Hancock Ship Building Co (Pembroke) have been placed.

The following directors of Celtic Haven acquired shares as follows: Mr. S. P. Spratt 210,000, Mr. J. S. Livermore 100,000, Mr. G. Hancock 10,000, Mr. D. H. R. Burnett 10,000, Mr. P. Harford 5,000.

SHARE STAKES

D. F. Betts (Holdings) Ltd, chairman, has acquired 41,322 shares. Forward Technology Industries - following the between July 28 and August 24 Industrial and Commercial Finance Corporation is interested in 857,500 shares and 1150,000 11 per cent convertible

Estate Duties Investment Trust in 125,000 shares.

City Hotels Group - Mrs. M. B. Gutman has sold 10,000 shares reducing holding to 230,000 (6.13 per cent).

Elbar Industrial - Tanganyika Concessions and its subsidiaries have recently increased beneficial interest from 1,840,792 to 1,842,792 shares (59.49 per cent).

Bridgend Processes - R. Hamilton-Peters has sold 40,000 shares.

Fluidrive Engineering - On August 23 Hill Samuel owned 300,000 ordinary shares (12.07 per cent) but is no longer interested in the shares as they have been ascertained to the offer by Associated Engineering, which has declared an unconditional

offer of 60p per share.

Ben Williams - Miller, Rayner and Hayson has bought 42,839 shares making beneficial holding 107,839 (12.46 per cent).

City and International Trust - London and Manchester Assurance has increased its holding by 40,000 shares to 1,180,963 (18.65 per cent).

Walter Duncan and Goodrich-Camionna Investments has bought 1,600 shares making holding 187,910.

Jardine Japan Investment Trust - Merchant Navy Officers' Pension Fund holds 745,000 shares (14.77 per cent).

Ledger Caravan Parks - Mrs. C. L. Horan, wife of director, has sold 25,000 shares and Mrs. A. T. B. Allen, wife of director, has sold 25,000.

RANSOMES SIMS PURCHASE

As part of its plans to extend its agricultural spraying interests in the EEC, Ransomes Sims and Jefferies has acquired Dorman Sprayer of Ely in a shares and cash deal worth £502,000.

Under the terms of the deal, Mr. Arthur Dorman, founder and managing director of the privately owned Dorman, is to join the company at a salary of £10,000 a year.

RSI is paying £330,000 in cash and the remainder in shares for Dorman, which in the year to September 30, 1977 earned pre-tax profits of £66,000. At that date the company showed net assets of £184,000.

Prudential Assurances has agreed to buy the shares of Dorman.

Mr. M. Q. Walters, the chairman, says order books throughout the group are good and given continuity of production, second half results should be as good as those now reported.

For the whole of 1977, a record £1.41m pre-tax profit was achieved.

After half-yearly tax of £459,000 (£348,400) and a £3,000 extraordinary credit last time, available profits for the period advanced from £1.38m to £1.41m.

Estimated results for the extra-ordinary items are 3.75p (2.51p) per 25p share and the interim dividend is lifted from 97.5p to 102.5p net, costing £123,500 (£112,000) - last year's final was 101.5p.

The chairman reports that Kontak's performance was encouraging. There has been a recovery in orders for jet engine products and demand for hydromechanical components for the agricultural equipment industry remains strong.

The board has approved the expenditure of some £1m for a major expansion programme which will involve factory extensions and installation of additional plant designed to enable Kontak to increase the production of Unit 10 hydraulic valves by about 50 per cent by 1980.

Unit 10, Margate, enjoyed uninterrupted production for the first half of the year and achieved a useful increase in turnover and profit compared with the same period of 1977, although still below the high levels achieved in 1978.

The modernisation of its foundry has been completed and improvement to plant and factory layout continues, as well as the introduction of new automated equipment.

Finch Wares were lower than in the first half of 1977, owing to frustration of deliveries to customers in certain countries suffering from political unrest, its results remained satisfactory, he adds.

At the end of June, 1977, total group borrowings were £21.9m and it is the intention of the group to repay £10.75m will finance around £2.5m. As £2.5m of the arrangements has been used to repay existing loans, the maximum addition to group borrowings is £7.5m. But it is likely to be another 18 months before the facilities are fully utilised. To date the net addition to borrowings is about £1.5m.

ADD A EXTENDS PARK PLAZA

Adda International has finalised details for the construction of an extension to the Park Plaza Hotel in London, consisting of 78 rooms, all with private facilities. The extension is scheduled for opening in spring 1980.

As reported on August 10, pre-tax profits dropped from £756,118 to £714,587 in the June 30, 1978 year, after exceptional losses of £225,076 (£168,000) relating to redundancy payments on the closure of The Press at Coombe.

Last year a 0.5p single payment was made on total net profits of £89,000.

Dares Estates pays interim

With its net profit in the June 30, 1978 year ahead from £96,513 to £141,155 Dares Estates has declared a 0.25p net per 10p share interim dividend.

Last year a 0.5p single payment was made on total net profits of £89,000.

H & R Johnson-Richards Tiles Ltd.

MANUFACTURERS OF Crystal Ceramic Wall & Floor Tiles

Summary of results

FOR THE YEAR ENDED 31st MARCH 1978

Total sales up by 11%

Profits before tax up by 45%

Earnings per share up by 50%

Additional comments by the Chairman at the Annual General Meeting held on Wednesday 30th August 1978.

Trading during year to date satisfactory.

Board continues to look forward to a year of steady progress.

Continuance of statutory dividend control prevents immediate payment of substantially higher dividends, but this remains Board policy and position will be kept under continuing review.

REGISTERED OFFICE: HIGHGATE TILE WORKS, TUNSTALL, STOKE-ON-TRENT ST6 4JX REGISTERED NO: 308899 ENGLAND.

G. R. FRANCIS GROUP LIMITED

Satisfactory results in a difficult year

SUMMARY OF RESULTS

Year ended 31st March	1978	1977
Sales	£4,858,210	£4,224,677
Net profit before tax	£228,773	£261,136
Proposed dividend per share	3.95p	5.53p

Review by the Chairman Mr. G. R. Francis

Although trading conditions generally continue to be difficult, I am pleased to be able to report another satisfactory year for the Group.

Turnover for the year to 31st March, 1978, was 15% higher than that for the previous year and, whilst margins continue to gain under pressure, this has in fact been achieved to an extent sufficient to result in a very acceptable return on capital employed. The net profit for the year of £228,773 reflects a second half profit of £130,260, an improvement of 32% compared to the first half.

We are continuing to expand our product range and are encouraged by the results which have assisted in maintaining our share of a depressed market.

In the circumstances our Directors have no hesitation in proposing that the dividend be again increased by the maximum amount permitted of 3.95p per share.

We have given consideration to the Stock Exchange recommendation concerning inflation accounting but have decided that, with the continuing uncertainties, it is not appropriate to present the inflation adjusted statement this year. We shall however continue to carefully monitor and assess the situation.



Heating and Plumbing Merchants - BIRMINGHAM

Fitch Lovell committed to 'noticeable' growth

THE OPERATING companies of Fitch Lovell have begun the current year committed to achieving results noticeably ahead of those recorded in the April 28, 1978 year. Mr. Michael Webster, the chairman says in his annual review.

The group is stronger for the experience of a difficult year in 1977-78, and plans for the current year have been made on the assumption that conditions in the food industry could remain difficult.

Last year profit before tax fell from £7.68m to £6.25m on sales ahead from £446.82m to £430.25m.

For the future the Board is seeking increased involvement in the manufacturing sector where higher margins are available and where opportunities have been identified.

The group is also engaged in the planned development of its wholesale interests with particular reference to the catering and institutional trade.

Directors also believe that long-term growth through investment in new stores can be achieved in the multiple retail sector.

Since the year end the group has formed a new sector - agriculture, fisheries and feed - and directors are confident of the overall benefit of its involvement in agriculture.

The Board has authorised the purchase of 100% of the assets of a plant and re-equipment, totalling £1.2m, of disposals, some £25.5m. At least £10m will not be incurred in the current year.

One of the projects will be a new abattoir - built to EEC standards - at £1.2m. The group is also involved in the construction of a new processing plant for the French market.

Overall the project can be considered to be on target, although revisions to the alternative plans are being made with respect to the integrated oyster operation, which last year increased its export trade. Dover sole development, which has in the past proved difficult, is showing signs of progress and could well be a breakthrough point in the chairman's plan.

At balanced date fixed assets of the group stood at £431.8m (£400.9m) and current assets at £87.7m (£85.11m).

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APPOINTMENTS

International Treasurer YOUNG ACCOUNTANT

for a highly respected American company making sophisticated equipment based on electronics technology. This is a new appointment to the small European headquarters staff in London, on which management of Eastern Hemisphere operations is based.

• PRINCIPAL responsibility to the finance director is for the management and control of funds in the region, taxation matters, and for a close involvement in the risk management of assets generally.

• THE need is for a qualified accountant with well above average capacity across a range of financial activity in an international corporate environment, rather than for substantial treasury experience as such.

• AGE probably late 20's. Remuneration around £12,000 with excellent additional benefits.

Write in complete confidence
to A. Longland as adviser to the company.

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FOREIGN EXCHANGE ADVISOR

c. £9,000
We have been asked by a well-known international corporation to assist in the recruitment of a Foreign Exchange Advisor, to be based at European Headquarters in London.

The person appointed will work as a member of a team involved in management of the company's Foreign Exchange exposures; within this team, he or she will play a central role in developing and implementing Foreign Exchange hedging strategy, as well as advising operating departments on their Foreign Exchange problems.

The position therefore requires an in-depth knowledge of Foreign Exchange markets, which will have been gained in an international banking environment or in the Treasury Department of a multinational company. Candidates, ideally aged 26-35, should additionally hold a university degree or a professional qualification and possess good analytical and communicative skills.

Contact: SOPHIE CLEGG or KEN ANDERSON
£8,000/£10,000

An international investment company, currently expanding its activities, seeks an experienced Eurobond Dealer. Candidates will ideally be aged between 23-30, with a minimum of two years' experience gained in both primary and secondary markets and accustomed to working in a busy dealing room. Comprehensive knowledge of back-up work is essential.

Contact: NORMA GIVEN or RICHARD MEREDITH

£3,300/£10,000
We can currently offer a wide selection of openings in most fields and levels of banking. These include Loan Administration (£4,500-£5,500), Credit Analysis/Control (to £7,500), Export Finance (c. £7,500), Documentary Credits (c. £5,500), Bills (to £4,000), Foreign Exchange/Deposit Dealing (£7,000-£10,000), Eurobond Settlements (to £5,000), Audit (c. £4,700), Accounts to (£4,200), General Banking Operations (c. £3,300), and others.

Contact: KEN ANDERSON or ROY WEBB

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

GENERAL MANAGER

Large Trading Group in Middle East

An opportunity exists in the Middle East for an outstanding senior executive of genuine provable ability with a track record of at least 15 years in management of trading or similar entrepreneurial concerns.

Candidates must have a wide ranging knowledge of all aspects of international trading and particular skills in organising and running a multi-divisional company with branches.

The post will be that of General Manager and the rewards will be extremely attractive to an appointee of the right calibre.

Terms will include incentive in the form of profit sharing.

Applications in writing with full curriculum vitae to Box A6455, Financial Times, 10, Cannon Street, EC4P 4BY.

Director and Secretary

The Plant Royalty Bureau Ltd.

The Plant Royalty Bureau is responsible for the licensing of plant varieties, the collection of royalties and the general administration of plant breeders' rights. In addition the Bureau acts as Secretaries to the British Association of Plant Breeders.

The present Director has been appointed to a position in the International Union for the Protection of New Varieties of Plants in Geneva.

Applications are invited from candidates who have all or some of the following:

Experience of working in Industry, and with Trade Associations and Government Departments. An understanding of legal problems - if not actual legal training. High level administrative experience, and - International experience with a working knowledge of French and German.

A substantial and negotiable salary will be paid and a car provided. Other benefits are commensurate with the senior nature of the position. Write, in confidence, giving full details of career and present salary to:

The Chairman of the Committee,
The Plant Royalty Bureau Ltd.,
Woodlark Chambers,
Market Street, Ely, Cambs.

THE CUSTOMS FUND

SECRETARY - CHIEF EXECUTIVE

The Directors of the Customs Fund are looking for a successor to the present Secretary and Chief Executive who is due to retire in April 1979. The Customs Fund is an independent undertaking established by Act of Parliament and offering various forms of life insurance and savings schemes to Customs and Excise personnel and their families. The Fund maintains its own life fund and is advised by a consultant actuary.

The successful applicant will assume day-to-day responsibility for an expanding and forward-looking insurance business, an appointment calling for dedication and all-round abilities with special emphasis on marketing, underwriting and investment. The Secretary needs to have a working knowledge of law and accountancy, is in charge of a small but experienced staff and is responsible to a non-executive Board composed of officials and past officials of Customs and Excise.

No age limits are stipulated for this unusual and challenging post but it is thought that a suitable blend of qualities and experience could be found in a candidate of approximately 40 years of age. The conditions of employment of the Fund staff closely follow those of the Civil Service and there is an approved pension scheme, for the administration of which the Secretary is responsible.

The salary will depend on the calibre of the successful candidate but it is not likely to be less than £8,000 a year. The appointee will be expected to take office as Secretary-designate early in February 1979.

Applicants should apply in writing to the President, The Customs Fund, King's Beam House, Mark Lane, London EC3E 7HE, marking the envelope SECRETARY in the top-left-hand corner and enclosing details of education and career and of any professional qualifications.

HQ. Accountant to £10,000

A major British engineering Group requires a qualified accountant at its headquarters located West of London.

The position represents a rare opportunity to demonstrate initiative and enterprise and to work with minimal supervision on a wide range of activities including:

- Financial planning and control
- Project work in the UK and overseas
- Consultation with external professional advisers

The new appointment offers career advancement opportunities into the 1980's. Candidates, male or female, aged 30-35 must have at least two years' post-qualification professional experience.

Write or telephone for the client company's application form quoting ref. 926.

Charles Barker-Coulthard
30 Farringdon Street, London EC4A 4EA.
Telephone 01-236 0526

CREDIT MANAGER

c. £5,000 p.a.

based Cricklewood, N.W.2

Applicants should have a good basic knowledge of accountancy and credit control, an understanding of Company Law and legislation governing bankruptcy and liquidation, plus experience in determining credit limits and progression of accounts.

Salaries according to qualifications and experience, not less than £5,000 per annum in progressive scale. Life Assurance/Pension Scheme, Sick Pay and good Holiday Entitlement.

Write brief details of work history to: Recruitment Manager, Raylaid Ltd., 415 Edgware Road, London NW2 6LL.

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NOTICE OF REDEMPTION TO HOLDERS OF COURTAULDS INTERNATIONAL FINANCE N.V.

94% GUARANTEED LOAN DUE 1985

UNCONDITIONALLY GUARANTEED BY COURTAULDS, LIMITED

NOTICE IS HEREBY GIVEN that 2 of the Trust Deed dated as of 5th of October 1970 by and between Courtaulds International Finance N.V. and the Company, "Courtaulds, Limited" (the "Guarantor"), Lloyds Bank Limited (the "Trustee") the Bonds bearing the number and serial numbers have been drawn for redemption on 1st October 1978 by operation of the terms of the Trust Deed and that the amount thereof is £100,000 and payable on 1st October 1978. The rate of interest on each bond will cease to accrue on and after such date.

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Turkey launches funding

By Metin Muncu

ANKARA, Sept. 4. TURKEY's long-awaited scheme for restructuring \$2.5bn of short-term debts to foreign banks and syndicating a fresh Eurodollar loan of \$500m is to be launched this week, according to Turkish Finance Minister Ziya Mucenizoglu.

The central bank will be sending documents to 250 odd banks this week soliciting their participation in the restructuring. Mr. Mucenizoglu said:

"These banks will be given a deadline of some two weeks to examine the proposal and report their decisions. Mr. Mucenizoglu

said: "The coordinating banks will also be given an official mandate this week to syndicate a medium-term loan of \$600m. They have already underwritten \$200m and hope to be able to raise at least \$100m."

Swiss Bank Corporation appears to have dropped out of the co-ordinating group. The representative of the bank is reported not to have attended a recent meeting of the co-ordinators "because of short notice." The Ministry of Finance, however, is referring to the group as "the seven" instead of "the eight."

IMES WSPAPER

Norsk Hydro earnings improve

By PAV. GIESLER IN OSLO AND KEVIN DONE IN LONDON

NORSK HYDRO, the Norwegian fertiliser, metals, chemicals and energy group reported higher turnover and operating profits yesterday for the year ending June 30, mainly as a result of its oil activities.

Preliminary figures show turnover at Nkr 6.32bn, or \$1.35bn. This year's turnover is calculated in compliance with Norway's new Companies Act. The comparable figure a year earlier was Nkr 5.83bn, giving an increase for 1977/78 of Nkr 500m.

Profit before tax and allocations was Nkr 241m, against Nkr 247m in 1976/77. Group operating profit was Nkr 695m, compared with Nkr 525m, after a charge for ordinary depreciation of Nkr 508m compared with Nkr 251m the year before. An unchanged 12 per cent dividend is proposed.

Norsk Hydro's president, Mr. Odd Narud, attributed the improved results to increased production of North Sea oil and gas, significantly boosted by the start of gas delivery last autumn from the Frigg and Gjøa areas, in which Hydro is a partner. The company is reported not to have attended a recent meeting of the co-ordinators "because of short notice." The Ministry of Finance, however, is referring to the group as "the seven" instead of "the eight."

IMES WSPAPER

Construction merger details

By Our Own Correspondent

AMSTERDAM, Sept. 4. DUTCH construction companies Stevin and Adrian Volker, will hold a press conference in Amsterdam tomorrow to give details of their proposed merger. The Amsterdam Stock Exchange suspended dealings in the shares of the two companies last Friday after a sharp rise in the price of the shares.

The successful conclusion of the merger talks, which were first announced at the end of June, would create the largest construction company in Holland and one of the largest in Europe. The two firms had a combined turnover of Ffl2.8bn (Sl.5bn) in 1977 and have a workforce of 22,000. The aim of the merger is to allow the two companies to compete on a more equal footing with large foreign contractors.

The two companies originally planned to make an announcement last month, but the talks have lasted longer than expected. The most likely forms the merger could take are an offer by Volker, financially the strongest of the two companies, for Stevin or the setting up of a new holding company which would issue new shares in return for those already outstanding.

It has already been announced that Mr. Jan van Den Driest, chairman of Volker, will be head of the new company while Mr. Klaas Van Exter, of Stevin, will be deputy chairman.

The trade unions have been critical of the proposed deal saying the merger might cost 400-500 jobs. The terms of Barlow's D-mark M20m placement in the D-mark sector, which is for general investment purposes, included a six-year maturity and a coupon 8 per cent.

Holland Amerika losses increase

By CHARLES BATTCHORL

HOLLAND Amerika Lijn (HAL) moved deeper into the red during the first half of 1978 incurring a loss of \$3.95m at the net level quarters to Stamford, Connecticut, compared to \$2.11m a year earlier.

Operating profits from tourism improved largely because of the integration of Monarch Cruises, a U.S. company acquired in 1976, and Holland America Cruises. Profits from the trading division also rose. But overcapacity and strong competition meant that the special transport division made a sizeable loss.

Turnover for the six months

The two profit-making divisions are expected to improve further in the current six months but

the company has produced its

for the rest of the year.

By JOHN WICKS

ZURICH, Sept. 4.

SWISS FOODS company Hero

Business continues satisfactorily

improved results this year. The

parent company's profit targets

are being met, despite growing

export difficulties and the results

of the Swiss subsidiaries Hero

Fleischwaren Lenzburg and

Getreideflocken AG Lenzburg

are in keeping with budget.

Abrad, the French subsidiary

to company president P. Wald

has recorded a further improve

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based company will this year return on capital and achieve a

move out of the red for the first

wide degree of self-financing

in several years. The Dutch

affiliate reports rising sales but

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profit until next year. Sales of the Italian sub-

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Swiss foods group ahead

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INTERNATIONAL FINANCIAL AND COMPANY NEWS

Canadian Government turns down Ex-Cell-O

THE Canadian Government has rejected a proposal by Ex-Cell-O Corporation, Detroit, to acquire control of Davidson Rubber Investment Review Agency, Ropelle Realty and the branch business of McCord Corporation, all of Port Hope, Ontario, which are ultimately controlled by McCord Corporation of the U.S., reports AP-DJ.

Davidson Rubber manufactures automotive instrument crash pads and armrests. Ropelle Realty is a holding company and the branch business of McCord Corporation is engaged in a manufacturing business in Sherbrooke, Quebec.

Steel Company of Canada, the country's largest steel producer, against C\$43m, is

OTTAWA, Sept. 4.

because it did not provide "significant benefit to Canada" as effect from October 1. Tin plate

Foreign goes up 3.8 per cent. Dominion

Foundries, Hamilton, is putting

control of Davidson Rubber

Investment Review Agency.

The Government accepted a proposal by Pacific Inter-

mountain Express, Walnut Creek, California, controlled by U.S. International Corporation, also of the U.S. to acquire control of a number of businesses at Burnaby, BC, owned by Delta Lines of Oakland, California.

Also accepted was a proposal by a U.S. resident to establish an automotive air filter manufacturing business in Sherbrooke, Quebec.

Steel Company of Canada, the

correspondent. Revenues C\$51m;

the proposal was rejected

against C\$43m, is

AIB record profits

By Our Financial Staff

ATLANTIC International Bank, the City consortium bank, reports record pre-tax profits of \$885,984 for the year ended June 30, 1978, an increase of 26 per cent compared with last year's figure of \$701,266. Profits after tax rose by 28 per cent to \$423,345. At the year end total assets stood at £135,059,965.

In its statement the chairman, Mr. Hilton S. Clarke, says that the growth of loan business has continued at a satisfactory rate

although somewhat restrained in

sterling terms by the strengthen-

ing of the pound against the

dollar. Activities have been

mainly focused on Europe and

Latin America.

It started with reports from

a number of brokers recom-

mending greater care and dis-

crimination among investors

seeking a way to cash in on the

gambling stock boom. Then

came news from A. G. Becker,

a leading brokerage house, that

it would require 100 per cent

of the purchase price of the five

leading gaming stocks: Resorts

International, whose

and current business intentions

and capabilities with respect to

the development of casino

operations in New Jersey."

Even companies who have

acquired sites in Atlantic City

have some way to go. Playboy

Enterprises had plans

approved for its twin tower hotel

front, but it is still negotiating

financing. Planned opening

date is May 1980, with construc-

tion due to start in Octo-
Playboy cannot yet apply
ber. Since these are
granted to companies who
start up within 18 months.

Golden Nugget, another

Nevada casino owner, has

announced plans for a

casino/hotel complex, but

yet to apply for licenses

from New Jersey or Nevada.

The two clear front-runners
in the race are Caesar's World
Bally Manufacturing, but it is
open question as to when they will
begin work and when their
opening dates are.

Caesar's hopes to get there

on June 1. But unlike

which has no doubt in its

machines, Caesar's may

near its plans with Nevada.

Bally, on the other hand,

still to finalize the financing

of its \$45m project, which is

down from the original

venture in order to get it

sooner by July.

U.S. GAMING STOCKS

Setback for the punters

Gambling issues tumbled last week following reports that brokers were recommending greater care and discrimination among investors and action by the New York Stock Exchange invoking a 75 per cent margin requirement on certain companies. DAVID LASCELLES in New York analyses the problems

confronting gambling stocks

All these securities having been sold, this announcement appears as a matter of record only.



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U.S. \$100,000,000

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Commerzbank Aktiengesellschaft

Lloyds Bank International Limited

Orion Bank Limited

Development Finance Corporation of New Zealand

Algemene Bank Nederland N.V.

Amholt and S. Bleichroeder, Inc.

Banca del Gotto

Bank Julius Baer International Limited

Bank Leumi le-Israel Group

Bankers Trust International Limited

Banque Générale du Luxembourg S.A.

Banque Internationale pour l'Afrique Occidentale (BIAO)

Banque Louis-Dreyfus

Banque de Paris et des Pays-Bas (Suisse) S.A.

Banque Worms

Barclays Bank International Limited

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First Bavarian Capital Corporation

First Boston (Europe) Limited

First Chicago Limited

First Genoa S.p.A.

First National City Bank

First Republic Bank

First Union National Bank

First Virginia Bank

INTERNATIONAL FINANCIAL AND COMPANY NEWS

IHI
passes
interim
dividend

Record profits again
from Petersville

BY OUR OWN CORRESPONDENT

IHI Australia, the diversified food products group, has reported its third successive profit in the year to June 30. Earnings rose 32.7 per cent from A\$6.5m to A\$8.5m (US\$10.2m), on sales up 15.9 per cent, from A\$28.86m to A\$37.81m (US\$31.92m).

The directors have increased the dividend by 6.25 cents a share to 7 cents with a final dividend up from 3.125 cents to 3.875 cents, after an unchanged interim payment of 3.125 cents.

The rise comes after a one-for-six share issue last October and a one-for-10 scrip issue made with last year's profit announcement.

The company paid a first-half interim dividend of Y3 last year, now Y4. Last week, Mitsubishi Heavy Industries (MHI) said that it plans to omit its interim dividend for the six months to September 30 (Y3 in the previous year), because of a slump in its shipbuilding division.

Other major Japanese shipbuilders are thought likely to make similar decisions.

Our Financial Staff writes: Both IHI and MHI have asked their labour unions to accept plans to cut their capacities by about 40 per cent. It was announced last month. This follows the release in July of a Japanese Shipbuilding and Shipbuilding Rationalisation Council's living index.

Shipbuilding capacity by 35 per cent—and for the largest seven shipbuilders to lower capacity by 40 per cent. The higher rate for the large shipbuilders reflects their scope to redeploy workers.

PETERSVILLE Australia, the diversified food products group, launching of a number of new products, continued emphasis on cost control and increased efficiency from a higher level of capital spending.

The interim profit rose 36.5 per cent, from A\$3.26m to A\$4.46m, while the final half year earnings increase 34.9 per cent, from A\$3.25m to A\$4.38m.

The directors said: "There was some recovery in margins in important areas in the last quarter and operating earnings per sales dollar improved from 2.7 cents to 3.2 cents. Birds Eye frozen foods, Edged canned food and Presto smallgoods were major contributors to earnings.

Although results were slightly lower, sales of Socoquin

SYDNEY, Sept. 4.

imported foods showed a healthy increase on the previous year.

The result was also affected by substantial increases in meat exports to Asia and the U.S. It is after tax of A\$4.92m (A\$4.52m) and after allowing A\$765,534 for trading stock valuation adjustment. Depreciation and amortisation came to A\$3.77m (A\$3.52m) while interest increased from A\$2.52m to A\$2.72m. The profit is struck before an extraordinary loss of A\$89,000, which compares with last year's A\$48,000 extraordinary gain. The earning rate increased to 19.4 cents a share, against 15.7 cents a share (adjusted for the increased capital). Net tangible asset back-

ing was steady, at A\$1.42.

The latest result is attributed to the company's strong performance in its shipbuilding division, reports Cesar's.

SHARP EXPANSION at Bank Leumi

BY L. DANIEL

BANK LEUMI LE-ISRAEL—the country's largest and oldest bank—has reported a 107 per cent rise in its consolidated balance sheet total to 1,188.6m (US\$10.7bn) at June 30, 1977. The total at the end of the financial year, on December 31, was 1,142.6m. The rise on the year double that in the cost-of-living index.

Deposits grew similarly—from 1,151.6m at end-December, to

1,142.6m at end-June 1977, from

1,142.6m at end-June 1976. The same date, from 1,142.6m to 1,175.6m, or 15.8 per cent in cash (payable also on the bonus shares issued in May 1978) and a 20

per cent bonus share allocation.

The latter will be entitled to the final dividend and any other distribution which may be made in respect of the current calendar year.

* * *

FOREIGN CURRENCY earnings

of the aircraft maintenance and

overhaul division of Israel Air

Force Industries rose by 81m in

1977/78 to reach \$20m.

It added that other borrowings

also went down by 7.2m Pesos,

or 5.5 per cent, which was the

result of the 1bn Peso decrease

in payables of branches of

foreign banks offset by the 210m

Peso rise posted by domestic

banks.

AP-DJ

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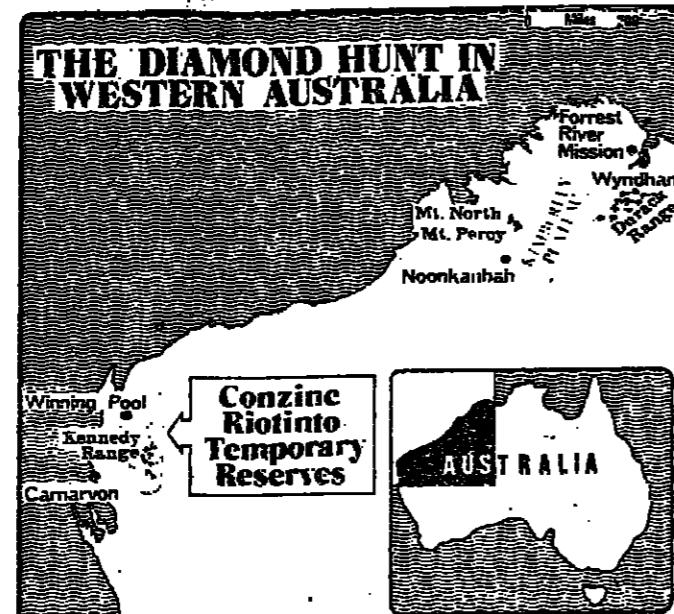
Outback outbreak of diamond fever

PROSPECTORS BELIEVE they have begun opening up a new diamond province in Western Australia's tropical north. The present phase began on flimsy evidence: the rush of small companies and accompanying stockmarket fury followed rumours that gem-grade diamonds had been found. This generated enough evidence and confidence to have added several hundred million dollars to the combined market capitalisation of companies involved. In the to-and-fro between scepticism and enthusiasm, the bulls are clearly in front.

Long odds

The sceptics maintain that the newsmen have little chance. Big companies like De Beers and BHP have been combing the Kimberley region over several years, they point out. The only reported diamond finds—with no word so far of high-quality gems—started in 1976 and were made by the Ashton joint venture which has dropped in the outback attract successfully on base metals and helicopters back to them with iron. It is going into business as operator. As CRA's executive chairman, Sir Roderick Carnegie, replies when questioned about how the diamond country that time seems to the Carr Boyd Minerals group search is going: "Ask me after five years and \$15m." As the hell will capitalise an untested option is exercised.

Mining's "establishment" of towards landing the people on the ground recognise that Stockbrokers are reminded of sees the wave of newcomers as isn't their support aircraft and the past. It seemed incon-



ilmenite—that turn an ordinary few holds barred.

Although it might be argued that several years' start by De Beers, BHP and CRA would not leave worthwhile ground unpeged, CRA was not there pegging alongside the small companies after its (rumoured or real) discovery of gems. Perhaps most importantly, CRA has taken up a group of 32 temporary reserves for diamonds 1,000 miles away from the Kimberley inland from Carnarvon around the Kennedy Range and Wimpy Pool. These commit the company to an annual \$1.3m for diamonds only—a scale of expenditure unlikely unless something, worthwhile has been turned up already.

While stock exchange requirements force the Ashton group reluctantly into periodical announcements, De Beers continues its Australia-wide diamond prospecting in silence under an "effective" security blanket.

The basic pattern is nothing new: a commodity is found in a remote area. The more exotic the commodity, the more erratic its technology, and the more remote from civilisation the pegging, the greater the area of uncertainty, and the greater the element of speculation.

London has been deeply involved: corners of the City are more responsive to speculative situations than the relatively conservative Australian markets. Australia has become afraid of speculation since the Poseidon boom. Clearly the danger of setbacks exists. Unless diamond discoveries are reported. Christmas could be a dangerous moment because that is when geologists go home, away from the heat, depriving the market of its lifeline of information and rumour.

There is evidence from the little prospectors that there is a basis for the boom. The Ashton group for instance has built a \$6m treatment plant with a throughput that suggests it is more than a pilot plant. More that will prove that this, indeed, is diamond country, the start of over competition for some is diamond country, the start of

big companies and bureaucrats are making the ground recognise that Stockbrokers are reminded of sees the wave of newcomers as isn't their support aircraft and the past. It seemed incon-

under-capitalised opportunists, scurry back under cover to ceivable that people who had staking speculators' money on iron being recognised, been so shaken by the long odds of finding hundreds of miles from Polished boom-and-bust seven years ago would, so soon afterwards, once again be swept to diamond-bearing kimberlite north-east, suddenly the bush is crowded.

Diamonds have recently attracted more than the small terminology, of course, has summed up in a film taken from fly. Amex and Selection Trust changed. The jargon now is of a helicopter as it chugs its way have joined the pegging race diamondiferous kimberlites, of more than a pilot plant. More over competition for some is diamond country, the start of

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BY DON LIPSCOMBE

APPOINTMENTS

Senior posts at Grindlay Brandts Insurance Group

Mr. David Lantigne has been appointed managing director of the GRINDLAY BRANDTS INSURANCE and Mr. Michael Gauge has become assistant managing director.

Mr. John G. Collyear, Mr. Thomas F. Honess and Mr. Peter A. Rippon have been appointed non-executive directors of HER-

BERT, the parent company of ALFRED HERBERT.

Mr. P. J. Dinn and Mr. C. D. Ryer have been appointed directors of PRAYLER. The appointments have been made as a result of the company's expansion in the U.K. and Middle East.

Mr. G. A. Greenough, Mr. Thomas and Mr. R. J. Ward have been appointed non-executive directors of the LITTLE ORGANISATION, not non-executive directors as reported Saturday.

CONTRACTS

Simon-Carves wins Shell plant work

SIMON-CARVES, Stockport, a normal frequency coreless induction furnace manufacturer, has been awarded a contract by Shell Chemicals (UK) for a major extension to its existing polypropylene plants at Carrington, Greater Manchester, for which Simon-Carves previously supplied handling and storage facilities. This latest project, worth more than £1m, covers extensive modernisation of existing handling equipment, additional storage and improved packing and sack handling facilities. Overall construction will be carried out by Shell Chemicals (UK).

NOTSA ENGINEERING, Aston-Trent (Derby), has won its biggest single order, worth more than £100,000, from Harker Engineering, Stockton-on-Tees, for a computer-controlled coordinate measuring machine.

BABCOCK CONTRACTORS INC, Pittsburgh, a subsidiary of Babcock International Inc, which controls the interests of Babcock and Wilcox Limited in the U.S., under a contract signed with Ohio Department of Administrative Services, is starting procurement and construction of a fluidised bed combustion (FBC) boiler plant at the Central Ohio Psychiatric Hospital, Columbus. The FBC boiler will burn high percentage sulphur Ohio coal in compliance with Federal EPA standards. FBC is the principal commercially available technique adopted by Ohio Governor Rhodes' Coal Use Program to demonstrate that industry can continue to use Ohio coal in compliance with EPA standards. The order is worth about \$5m. The plant, of 60,000 lb-hour of steam, will operate within 12 months.

GRC Turbine Generators is to introduce electric lighting in its foundry at the Willans works in Rugby where turbine components, including plant casings, are produced. An order valued at close on £200,000 has been placed with BIRLEC for a 10 tonne capacity

glazing contract, collectively worth some £400,000, has been awarded to branches within the eastern division of JAMPS CLARK AND EATON. Most of the orders are for glazing private dwellings, flats and houses.

We-see Water Authority has ordered an integrated remote management computer system, which will provide interlinked control and data collection facilities covering three executive levels throughout the Authority's area. The system is believed to be the first of its kind to be ordered by a UK water authority. The £500,000 contract has been awarded to digital communications specialist SERIC CON-TROLS, Leamington Spa. The system will monitor and control water supply, sewage treatment and river management equipment in three of the Authority's

districts, with separate divisional and regional headquarters in Bristol.

Two contracts, totalling £250,000 and involving plant installation work, have been awarded by the major projects division, N. G. RAILEY AND CO., value over £200,000, comprising Phase 2 development for British Gas Corporation at the mouth, while the other relates to a new factory at the Ordnance complex at Bridgwater.

GEC ELECTRICAL PLANT has received an order from British Steel Corporation for advanced automation schemes for five stand tandem cold rolling and cold drawing machine tools and associated services at the company's Shear rear service plant. Expected for six months, the contract is part I of the company's five-year investment programme. It also involves installation of plant.

Following the re-lining of northern section of the Glyn Brook, Hamersmith, 70-watt SON high-intensity lamps, THORN LIGHTING won a further £10,000 contract to re-light the southern section. This brings the total value of contract to £25,000, making the largest installation of its in the world. The lamp is housed in vandal resistant bell lanterns.

A contract for advanced sites for Warrington Development Corporation's rented housing in wood, one of the three areas the New Town's Birkenhead district, has been awarded to WENCO (CONTRACTORS) LTD, near Liverpool. The 200 contract includes the construction of roads, drainage systems, footpaths, and will last for eight months.

HAS YOUR OIL TECHNOLOGY GOT INTO DEEP WATER?

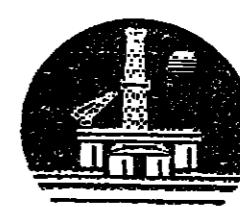
If your company has developed the special technology the North Sea requires, prospective clients are waiting to hear from you. They are exploring in various new offshore areas in the world, from Australia to South America and will look forward to your message in the pages of the Financial Times Survey on Offshore Expertise to be published on October 19.

Demand for advertising space shows that this Survey is arousing out-of-the-ordinary expectations. Finance directors responsible for purchasing and contracting decisions will study it closely, and it is therefore an exceptional chance to talk to them.

Articles in the Survey will provide a comprehensive guide to established and new markets. Others will analyse in detail the changing technology in production, distribution, gas recovery, diving, telecommunications and other sectors of the offshore industry. It seems that the challenges and the opportunities are in deep water too.

For further details, including advertising rates for this Survey, please contact Peter Minett (Ext 7074) or Mark Skinner (Ext 7152) at the Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000

A FINANCIAL TIMES SURVEY



ON OFFSHORE EXPERTISE

OCTOBER 19 1978

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

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International Banking with Bavarian Drive and Friendliness

JOHN INGLE

FARMING AND RAW MATERIALS

Small rise forecast in sugar stocks

BY OUR COMMODITIES STAFF

DRDL SUGAR production is expected to be slightly above consumption in the 1978-79 season, according to the U.S. Agriculture Department. In a summary of sugar and sweetener report, the Department forecasts world sugar output at between 850 and 870 million tonnes in 1978-79 and put consumption at 830 million tonnes, suggesting a further small rise in the present large stocks.

U.S. domestic beet production forecast to rise by 5 per cent above the 1977-78 figure of 490,000 short tons while cane output is put at 270,000 tonnes.

The Department also expects a rise in U.S. production of high fructose corn syrup sweeteners, from 5 to 1.2 million short tons (dry weight) against 1.1 million in 1977-78. U.S. sugar imports are expected to fall sharply from the record level of 6.13 million tonnes to 3.8 million tonnes this year. But 1978 imports could be boosted by the Commodity Corporation, acquiring a completed sugar under the support price programme, which may lift U.S. sugar later this year.

Electrical and the USDA prediction is that the 1978-79 quota of 93,000 tonnes announced in Wellington will be more severe. It added that Japan would seek increases to the level of last year when Japanese coffee output was 6.13 million 60-kilo bags of coffee next year instead of 5.95 million estimated earlier, after the frost last month.

Quotas were fixed by New Zealand after the two countries signed an agreement on Friday allowing Japanese fishing vessels to operate in the zone for the first time since it was proclaimed on April 1.

Motor vehicles in world sugar imports fell yesterday, was attributed to the Man forecast of

Japan hits at N. Zealand fish quota

TOKYO, Sept. 4.

THE JAPANESE Government today criticised New Zealand for reducing fishing quotas for Japanese fishermen inside the 200-mile economic limit proclaimed earlier this year.

The Japanese fishery agency said the 1978-79 quota of 93,000 tonnes announced in Wellington was more severe. It added that Japan would seek increases to the level of last year when Japanese coffee output was 6.13 million 60-kilo bags of coffee next year instead of 5.95 million estimated earlier, after the frost last month.

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Reuter

Another committee has been set up to investigate the activities of the State Fishing Corporation.

On the London terminal market prices rose further yesterday. November delivery coffee, for example, was up £1.90 a tonne on Friday's closing price at £1,927.50 a tonne.

Traders again attributed the continued increases to the reduced harvest prospects in West Africa and Brazil.

• Rio de Janeiro, The São Paulo State agricultural secretariat announced the region was expected to produce only

6.13 million 60-kilo bags of coffee next year instead of 5.95 million estimated earlier, after the

freeze last month.

According to a survey, 61 million of the State's 236 million trees were seriously affected by frost, and 17 million were destroyed.

Of the State's 236 million adult trees, 9.1 million suffered irreparable damage, the secretariat said.

Rubber output increase urged

BY OUR COMMODITIES STAFF

TURKISH RUBBER producers is forecast to grow to 14.5 million tonnes by 1980 and 24 million tonnes by 1990.

Natural rubber production is projected to grow from 3.2 million tonnes in 1976 to 6.1 million tonnes in 1990. 6.05 million tonnes less than expected demand by that time.

The study points out that the demand gap will be filled by increased supplies of synthetic rubber, if not met by an expansion in natural rubber.

This was despite the fact that natural rubber producers have a substantial competitive cost advantage over polyisoprene, the closest synthetic substitute. The study claims that the rapid increase in oil prices, starting in 1973-75, has overturned the long-standing price advantage of synthetics over natural rubber.

In 1973-75 the cost of producing synthetics doubled, because of

Ghana will probe cocoa marketing

ACCRA, Sept. 4.

THE Ghana Government has set up a committee to investigate the activities of the Ghana Cocoa Marketing Board, reports Reuter.

The inquiry will concentrate on the buying and selling of cocoa, earnings from cocoa sales, activities of foreign and local buying agents and the causes of the decline in cocoa production since 1970.

Ghana's annual cocoa production, which averaged 400,000 tonnes a year up to 1970, was down to 343,000 tonnes in 1976.

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Copper supply threats mount

BY JOHN EDWARDS, COMMODITIES EDITOR

A SERIES of "bullish" reports stocks of 125 tonnes cutting the total held to 2,685 tonnes was in line with expectations and been discounted.

Indeed, cash tin suffered the biggest decline, with standard grade losing £65 to £67.25 a tonne while the three month quotation closed £3 lower at £81.15.

Lead stocks fell by 250 to 46,925 tonnes and zinc stocks were unchanged at 23,575 tonnes.

LME silver holdings rose by £90,000 to 18,550,000 ounces.

Latest figures from the International Lead and Zinc Study Group showed that refined lead production in OECD European countries in July was 72,521 tonnes compared with 68,890 tonnes in the same month last year. Total stocks held by producers were 73,988 tonnes, a big jump from 82,840 tonnes at end June but slightly above the end July figure of 77,808 tonnes last year.

Zinc output in July was estimated at 117,468 tonnes against 120,940 tonnes in July 1977. Stocks at end July, 1978, were slightly up at 162,842 tonnes but more than 80,000 tonnes lower than a year ago.

Desert

The "green dam" is a complex project designed to arrest the steady northward encroachment of the Sahara desert and make the high plateau between the fertile coastal strip and the desert more productive.

According to people working on the project, thousands of young trees have already been

planted and kilo young saplings

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WESTLAND WINS STUDY CONTRACT

UK plans new helicopter

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A BIG new helicopter, called the WG-34, is planned by Britain to replace the Sea King in anti-submarine warfare and other maritime roles such as search and rescue, for the mid to late 1980s.

Westland Helicopters of Yeovil, in Somerset, has been awarded a project definition study contract by the Ministry of Defence for the helicopter and, so far, the Government has committed about £10m to the venture.

But the final development cost is expected to be about £150m with an eventual market for up to 750 aircraft.

The aim is to secure international collaboration on the venture and talks are in progress

with the helicopter industries of France, West Germany and Italy. Up to three-quarters of the development cost will be accounted for by advanced electronics, including micro-electronics, with the rest for the air frame and engines which initially will be Rolls-Royce Gnomes.

Although military duties for the new aircraft are envisaged, it is hoped that the WG-34 could help meet the growing need for longer-range helicopters for the offshore oil and gas production and exploration markets.

The basic price of the WG-34 is expected to be about £3m to £4m. It will have three engines and will be bigger and heavier than the existing Sea King.

More than 70 Hawks have

already been sold overseas since the beginning of the year—10 to Finland, Kenya and Indonesia. The RAF, which has 173 on order, is understood to be studying the possibilities of fitting air-to-air missiles to the ground attack trainer for local air defence.

• The U.S. Navy is considering the British Aerospace Hawk jet as a replacement trainer aircraft.

The contract would be for more than 300 and could be for as many as 1,000 trainers to replace the Buckeye and TA4. A link with an American company would be necessary if a deal is clinched and the most favoured is McDonnell Douglas of St. Louis, Missouri.

More than 70 Hawks have

Steel quota dispute puts strain on Eurofer

By Roy Hodson

INCREASING strains within Eurofer, the club of European steel producers, are expected to surface at tomorrow's meeting of the organisation in Brussels. There is dissatisfaction over breaches of output quotas and minimum price levels laid down by the EEC and over secret marketing deals between Eurofer members themselves.

Some major producers have exceeded the quotas, laid down in the so-called Davignon plan for easing the current steel crisis, by up to 20 per cent, according to July production figures for individual countries now being published.

The surplus steel, coming from West Germany, France and Belgium, is being sold at low prices wherever it can find customers. One result is that both Britain and the U.S. are under particularly heavy pressure from steel from the Continent.

The secret agreements were concluded among Eurofer members during the worst days of the steel crisis last winter.

They are an interlocking series of arrangements which are supposed to protect steelmakers in each member nation of the EEC by limiting the amount of competition from other EEC steelmakers in that nation's home market.

Their aim is to assist market stabilisation by operating alongside the Davignon proposals for minimum steel prices and for maximum production levels. In the case of Britain, the agreements allowed 433,000 tonnes to be imported from other EEC producers between January and June. But that tonnage was exceeded by nearly 300,000 tonnes.

Steel imports into Britain from other EEC countries increased by 40 per cent between the first half of 1977 and the first half of 1978. Continental steelmakers have raised their share of the British market to 13 per cent (2.2m tonnes in a full year).

At Brussels tomorrow, those producers who have been sticking to the rules—the British Steel Corporation is one of them—intend to challenge the actions of other Eurofer members.

British representatives at the meeting will be: Mr. Bob Scholey, deputy chairman and chief executive of British Steel, Mr. Gordon Sambrook, commercial director, and a board member of British Steel, and Mr. Alec Mortimer, director general of the British Independent Steel Producers Association.

Mr. Mortimer said last night: "It is an unbalanced situation between the Continental producers and ourselves." He believed that pressure from European steel were diminishing. However, other observers claim that shipments of Continental steel into Britain are still on an accelerating upward curve.

Mr. Sambrook said: "I am not going to have the home market raped as a result of behaviour which is not in accord with that which producers have agreed with Davignon." Most of the competition was from strip mill products, he declared.

Tories finish work on election manifesto

BY RICHARD EVANS, LOBBY EDITOR

WORK ON the Conservative manifesto was completed by the shadow cabinet yesterday in preparation for rapid publication if the Prime Minister calls an election.

Mrs. Thatcher and her colleagues met for over two hours at the Commons in the expectation that Mr. Callaghan will announce the election date within the next week.

The Tories' package of policies—which has been in preparation for over a year—will then be quickly published.

Some indication of the PM's thinking on timing could be forthcoming from his speech to the TUC at Brighton today, although he is not expected to be specific.

One possibility is that the date could be announced soon after

the cabinet meets on Thursday, and an increasing number of October 5 remains the favourite.

Alternatively, the PM could wait until early next week so that he can advise the Queen of the date on his visit to Balmoral at the weekend.

Inevitable

The shadow cabinet took the unanimous view that an election in the next few weeks is inevitable, partly for the psychological reason that the October bandwagon has rolled too far and too fast—and partly because of the belief that Mr. Callaghan would find it impossible to avoid defeat from all opposition parties at the start of another Parliamentary session.

The Conservative party machine is ready to roll backed by a growing poster campaign

except for eight members of two Rhodesian Asian families. The only passengers not of Rhodesian or South African nationalities were two Britons, named as Mr. Walter Brown and his wife, Elizabeth, of Dunfermline, Fife, who were visiting relatives in Rhodesia.

Tonight's communiqué said that the guerrillas arrived at the crash scene shortly after the plane had crashed "and ordered the shocked and numbed passengers to their feet."

"The terrorists then opened fire with Communist-made AK47 assault rifles and 10 of the passengers—as yet unnamed—but six known to be women—died in a hail of fire."

The communiqué also said that after killing the 10 passengers the guerrillas looted the aircraft and bodies of those passengers who died in the crash.

Guerrillas kill air crash survivors

By Our Own Correspondent

SALISBURY, Sept. 4.

ONE OF the passengers who survived the crash of an Air Rhodesia Viscount near the Zambian border were killed by Black nationalist guerrillas, the military command announced here tonight.

A communiqué said 18 people survived the crash, and of these five wandered off into the bush in search of help.

The guerrillas then arrived and opened fire on the rest with rifles, the communiqué said. Three survived to tell the story. The rest of the 56 aboard are presumed to have been killed in the crash.

The announcement further fuelled speculation that a guerrilla-launched ground-to-air missile may have brought down the four-engined Viscount after it took off from the resort of Kariba for Salisbury yesterday evening.

Guerrillas of Mr. Joshua Nkomo's Zambian-based Zimbabwe People's Revolutionary Army are said to have hand-held missiles of Soviet manufacture which home in on the engine heat of aircraft.

Security force members arriving at the scene of the crash this morning said a starboard engine appeared to have exploded and the starboard external side of the plane was scorched," the communiqué said.

The pilot, Capt. John Hood, 36, had radioed: "I have lost both starboard engines" before the plane disappeared.

All the passengers were whites except for eight members of two Rhodesian Asian families. The only passengers not of Rhodesian or South African nationalities were two Britons, named as Mr. Walter Brown and his wife, Elizabeth, of Dunfermline, Fife, who were visiting relatives in Rhodesia.

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Supervisors told not to do work of SU strikers

By Alan Pike, Labour Correspondent

SUPervisors at BL's SU Fuel Systems factory in Birmingham were advised by their union yesterday not to do the work of 32 toolmakers who face expulsion from the Amalgamated Union of Engineering Workers.

Mr. Stan Jefferson, a Midlands member of the Association of Scientific, Technical and Management Staffs executive, wrote to his members at the SU plant reminding them of a union rule—it stipulates that "in any industrial dispute in which members of the association are not involved members shall not, unless otherwise instructed, undertake any work normally outside the terms of their employment."

The 32 toolmakers have been on an unofficial strike for a month in support of a pay parity claim and on Sunday the AUEW executive confirmed their expulsion from the union.

Mr. Jefferson said yesterday that his members had not yet been asked to take over the toolmakers' work, but were likely to be asked later this week. "I should not like to see our members involved in the internal dispute of another union," he said.

During last year's Leyland toolroom strike, Mr. Jefferson, AUEW supervisor, was approached to take over toolmakers' work, but refused.

Many of the supervisors were themselves former AUEW toolmakers. They were concerned about pay differential problems and were sympathetic to the toolmakers' case.

A copy of Mr. Jefferson's letter has been sent to Mr. Hugh Scanlon, president of the AUEW. The executive has decided that the strikers' demands will become effective if they refuse to attend an East Birmingham district committee meeting later this week where they will be instructed to return to work. The men have repeatedly ignored previous instructions to call off their strike and have failed to attend other district committee meetings.

Letters offering them a last chance to change their minds were written in the AUEW's London headquarters yesterday and sent to Brighton, where the TUC Congress is in progress, to be signed by Mr. John Boyd, general secretary. They will go to the strikers by registered post today.

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